Annual Reports and Related Documents::

Issuer & Securities

Issuer/ Manager	PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED
Securities	PACIFIC CENTURY REGIONAL DEVTS - SG1J17886040 - P15
Stapled Security	No

Announcement Details

Announcement Title	Annual Reports and Related Documents
Date & Time of Broadcast	07-Apr-2015 17:20:34
Status	New
Report Type	Annual Report
Announcement Reference	SG150407OTHR1JW9
Submitted By (Co./ Ind. Name)	Lim Beng Jin
Designation	Company Secretary
Effective Date and Time of the event	07/04/2015 17:00:00
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please refer to attachment.

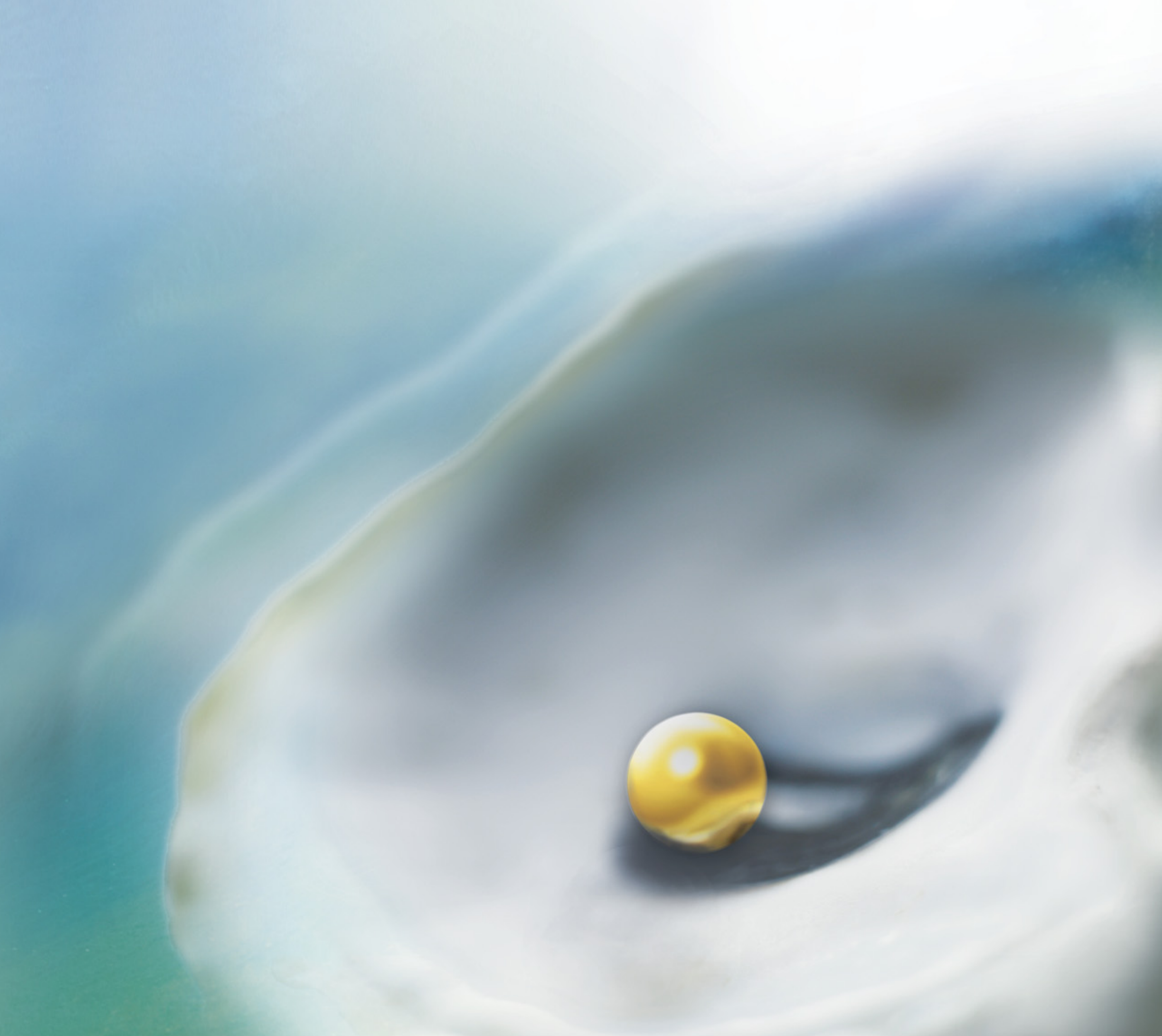
Additional Details

Period Ended	31/12/2014

Attachments	PCRDL_Annual_Report_2014.pdf Total size =669K

AR14

Pacific Century Regional Developments Limited



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Corporate Profile

Pacific Century Regional Developments Limited (PCRD), a Singapore-based company listed on the Singapore Exchange Securities Trading Limited (SES: P15), has interests in telecommunications, media, IT solutions, logistics and property development and investment, in the Asia-Pacific region. PCRD's most significant investment is its stake in Hong Kong-listed PCCW Limited (PCCW) (SEHK: 0008; American Depositary Receipts on the OTC Markets Group Inc. in the US: PCCWY). PCRD is 86% owned by the Pacific Century Group, which was founded in 1993. The Pacific Century Group acquired control of PCRD in September 1994.

Message from the Executive Chairman

The global economy remained weak overall in 2014. Although the US economy has strengthened, other downside risks have weighed upon the global economy. Factors such as the lower than expected growth rate experienced by the Chinese economy, weak demand in advanced economies in the eurozone and worsening geopolitical tensions elsewhere have clouded any expectation of a quick recovery this year.

PCRD's most significant asset, PCCW, has again delivered a solid financial result in 2014, reflecting the strong operational and financial performance of its core businesses.

In becoming a leading digital news and entertainment service provider, PCCW's media business has widened its regional and international footprint of content distribution and has been actively developing its OTT (over-the-top) service in Hong Kong in 2014. **now** TV also further consolidated its pay-TV leadership with increases in both its subscription base and ARPU (average revenue per user).

PCCW Solutions continued to win significant IT service contracts and opened a major world-class data centre in 2014. PCCW differentiates itself in the market by providing a comprehensive service platform to support customer business transformation in the digital world. The launch of a new banking and finance solution in 2014 marked the start of PCCW's offering of industry-specific packages with full intellectual property rights.

HKT became the leading mobile service provider in Hong Kong following the acquisition of CSL last May. This has brought significant benefits to customers. Continued integration efforts will realise further synergies and create additional value for HKT's shareholders. Meanwhile, PCCW's local fixed broadband and global connectivity businesses also saw healthy growth last year.

Existing projects of Pacific Century Premium Developments, PCCW's 63% subsidiary, in Indonesia, Japan and Thailand are progressing according to schedule. PCPD will continue to examine opportunities in Asia and around the world to enrich its portfolio in a diverse range of properties including residential, office, commercial, and hotel and resort.

We are optimistic about the opportunities offered by our logistics investment in KSH Distriparks in India. There continues to be pent-up demand for warehousing facilities in India and KSH Distriparks is in the process of developing new warehouse and logistics facilities to add to its portfolio on land acquired in Chakan for lease to third parties.

The Company has continued to buy-back its shares following the renewal of its Share Purchase Mandate in April 2014. To date, approximately 304 million shares have been repurchased under the renewed mandate, representing approximately 9.99% of the issued share capital at the time the mandate was renewed.

The economy in Hong Kong and elsewhere globally faces some uncertainties. Nevertheless, despite these, PCRD and its associated companies are well positioned to exploit new investment and business opportunities. Our evaluation focus will continue to be on business opportunities that show the most promise to maximise returns and enhance shareholder value.

On behalf of the Board, I would like to thank our shareholders and business partners for their continued support and confidence in the Company. I would also like to express my appreciation to our directors for their able stewardship of the Company, as well as, to commend my management and staff for their loyal support, dedication and contributions to the Company.

Richard Li
Chairman

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Communications Services

Hong Kong
China
Overseas

PCCW Limited
(associated company & major investment)

Media Business
now TV •

Solutions Business
PCCW Solutions •

Other Businesses
UK Broadband •

HKT Limited
(subsidiary of PCCW Limited)

Telecommunications Services
Local Telephony Services
Local Data Services
International Telecommunications Services
Other Services
Customer Premises Equipment •
Teleservices •

Mobile

Property and Logistics

Hong Kong
Overseas

Pacific Century Premium Developments Limited
(subsidiary of PCCW Limited)

Cyberport, Hong Kong

Hanazono Resort, Japan

Phang Nga Resort, Thailand

Sudirman CBD Office Building, Jakarta

India

KSH Distriparks
(associated company)

Logistics and Warehousing
Inland Container Depot
Warehousing
Logistics

Board of Directors

RICHARD LI TZAR KAI
Executive Chairman

Richard Li Tzar Kai was appointed as Chairman of PCRD in 1994 and was last re-elected as a Director in 2013. An Executive Director and Chairman of the Executive Committee of PCRD, Mr. Li is also Chairman and Chief Executive of the Pacific Century Group, Chairman and Executive Director of PCCW Limited, Executive Chairman and Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust and Chairman and an Executive Director of Pacific Century Premium Developments Limited.

Mr. Li is a Non-Executive Director of The Bank of East Asia, Limited, a member of the Center for Strategic and International Studies' International Councillors' Group in Washington, D.C., and a member of the Global Information Infrastructure Commission. Mr. Li was awarded the Lifetime Achievement Award by the Cable & Satellite Broadcasting Association of Asia in November 2011.

FRANCIS YUEN TIN FAN
Independent Non-Executive Deputy Chairman

Francis Yuen Tin Fan was appointed as Deputy Chairman of PCRD in 2005 and was last re-elected as a Director in 2013. Mr. Yuen was the Chairman of PCRD in 1993 and 1994 when it was known as Seapower Asia Investments Limited and Deputy Chairman of PCRD from 1997 to 2002. He was a member of the Executive Committee of PCRD until July 2011. Re-designated as Independent Non-Executive Deputy Chairman on 12 February 2015, Mr. Yuen is Chairman of the Remuneration Committee and also a member of the Audit Committee of PCRD.

He joined the Pacific Century Group in 1996 after an extensive career in investment banking and financial regulatory affairs across Asia. From 1988 to 1991, he was Chief Executive of The Stock Exchange of Hong Kong Limited. Mr. Yuen was also a founding director of Hong Kong Securities Clearing Company Limited. He served from 1992 to 1994 as a member of the International Markets Advisory Board of NASDAQ in the United States. He is an Independent Non-Executive Director of Agricultural Bank of China Limited.

He received a Bachelor of Arts Degree in Economics from the University of Chicago and is currently a member of the Board of Trustees of the university.

PETER A. ALLEN
Group Managing Director

Peter A. Allen was appointed as Executive Director in 1997 and as Group Managing Director in 2006. He was last re-elected as a Director in 2014. A member of the Executive Committee of PCRD, Mr. Allen is also Executive Director and Chief Financial Officer of the Pacific Century Group, Non-Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust, and Senior Advisor to PCCW Limited.

Mr. Allen joined KPMG in 1976 before taking up an appointment at Occidental International Oil Incorporated in 1980. In 1983, he joined Schlumberger Limited and worked in various countries holding key management positions. In 1989, Mr. Allen moved to Singapore as Regional Financial Director of the Vestey Group. He later joined Boustead Singapore Limited as Group Operations Controller in 1992 and Morgan Grenfell Investment Management (Asia) Limited as Director and Chief Operating Officer in 1995. Mr. Allen joined the Pacific Century Group in 1997.

Mr. Allen was educated in England and graduated from the University of Sussex with a degree in economics. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow Member of CPA Australia and a Fellow of the Institute of Singapore Chartered Accountants.

ALEXANDER ANTHONY ARENA
Non-Executive Director

Alexander Anthony Arena was appointed as Executive Director in 1999 and was last re-elected as a Director in 2014. He is Group Managing Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust. He joined the Pacific Century Group in 1998. He was re-designated as Non-Executive Director of PCRD with effect from 1 July 2011. He was Chairman of the Executive Committee of PCRD prior to July 2011. He was Group Managing Director of PCCW Limited and Executive Director of Pacific Century Premium Developments Limited prior to November 2011.

Prior to joining the Pacific Century Group, Mr. Arena was Special Policy Adviser to the Hong Kong Government from 1997 to 1998. From 1993 to 1997, he was Director-General of Telecommunications at the Office of the Telecommunications Authority of Hong Kong as well as a member of the Broadcasting Authority of Hong Kong. Before his appointment as Director-General, Mr. Arena was appointed by the Hong Kong Government to plan a reform program for the liberalisation of Hong Kong's telecommunications sector. Prior to his appointment to the Hong Kong Government, he served as an inaugural member of the Australian Telecommunications Authority, for four years.

Mr. Arena has led an extensive career in public administration, specialising in high technology and infrastructure industries. From a practising radio/communications engineer to a public policy maker, his experience spans such diverse areas as the commercialisation of government-owned business enterprises and deregulation in the aviation, transport, telecommunications and postal industries.

Mr. Arena graduated from the University of New South Wales, Australia, with a Bachelor's Degree in Electrical Engineering. He completed an MBA at The University of Melbourne, Australia, and is a Fellow of the Hong Kong Institution of Engineers.

TOM YEE LAT SHING
Lead Independent Director

Tom Yee Lat Shing was appointed as a Director in 1991 and was re-appointed as a Director in 2014 pursuant to Section 153(6) of the Companies Act, Cap. 50. Mr . Yee is a Lead Independent Director and Chairman of the Audit Committee and also a member of the Nominating Committee of PCRD.

Mr. Yee is a Certified Public Accountant and was a partner of an international public accounting firm from 1974 to 1989. He has more than 35 years of experience in the field of accounting and auditing and extensive experience in handling major audit assignments of public listed and private companies in various industries, including insurance, manufacturing and retailing. Currently a consultant, Mr. Yee also sits on the boards of the following listed companies: Bonvests Holdings Limited, Powermatic Data Systems Limited, and Cosco Corporation (Singapore) Limited.

He is a fellow member of Singapore Institute of Directors.

CHNG HEE KOK
Independent Director

Chng Hee Kok was appointed as a Director in 1988 and was last re-elected as a Director in 2013. An Independent Director, Mr. Chng is also a member of the Nominating and Remuneration Committees of PCRD.

Mr. Chng graduated from the University of Singapore with a BEng (First Class Honours) and obtained a MBA from National University of Singapore. He is a former Member of Parliament (1984 to 2000). He was formerly a board member of the Public Utilities Board, Singapore Power Ltd and the Sentosa Development Corporation. He also served as a council member of the Singapore Institute of Directors. Mr. Chng is Managing Director of LH Group Limited. He had served at various times as CEO of Scotts Holdings Ltd, Yeo Hiap Seng Limited, Hartawan Holdings Limited and HG Metal Manufacturing Limited. Mr. Chng sits on the boards of the following llisted companies: Full Apex (Holdings) Ltd, Chinasing Investment Holdings Ltd, Luxking Group Holdings Ltd, Samudera Shipping Line Ltd. and China Flexible Packaging Holdings Limited.

FRANCES WONG WAIKWUN
Independent Director

Frances Wong Waikwun was appointed as a Director in June 2013 and was last re-elected as a Director in 2014. An Independent Director and Chairman of the Nominating Committee, Ms. Wong is also a member of the Audit Committee of PCRD. Ms. Wong is also an Independent Non-Executive Director of PCCW Limited.

Ms. Wong is currently a financial advisor of Good Harbour Finance Limited. She began her career as a management consultant at McKinsey & Company in the United States in 1986. Ms. Wong returned to Hong Kong and joined the Hutchison Whampoa group of companies in 1988, taking on various positions. She was managing director of Weatherite Manufacturing Limited, an air conditioning manufacturer. Later, Ms. Wong became chief executive officer of Metro Broadcast Corporation Limited. Eventually, she became chief financial officer of Star TV, Asia's first satellite television company. After leaving the Hutchison Whampoa Group in 1992, she became group chief financial officer for the Pacific Century Group. After she resigned from the Pacific Century Group, she founded the Independent Schools Foundation in Hong Kong in 2000.

Ms. Wong was educated in the United States at Stanford University where she received a Bachelor of Science degree. She holds a Master of Science degree from the Massachusetts Institute of Technology. Ms. Wong was a member of the Central Policy Unit, the Government of the Hong Kong Special Administrative Region (think tank). She has served on many educational boards including the Canadian International School of Hong Kong, The Open University of Hong Kong and was a member of the Joint Committee on Student Finance of Student Financial Assistance Agency.

LAURA DEAL LACEY
Independent Director

Laura Deal Lacey was appointed as a Director in February 2015. An Independent Director, Ms. Lacey is a member of the Nominating and Remuneration Committees of PCRD.

Ms. Lacey is currently a managing director of Milken Institute's Asia Centre, headquartered in Singapore. The Milken Institute is a non-profit, non-partisan think tank determined to increase global prosperity by advancing collaborative solutions that widen access to capital, create jobs and improve health. Prior to joining the institute, Ms. Lacey spent three years as the executive director of the American Chamber of Commerce in Singapore, the largest American chamber in Southeast Asia. Acting as the face of the organisation, Ms. Lacey represented the interest of U.S. companies in Singapore and helped advance policy and business issues that American companies faces in Southeast Asia.

Before moving to Asia, Ms. Lacey was based in New York. She was the global marketing director for Edelman, where she worked out of the CEO's office to promote the agency, its leadership and its intellectual capital around the world. She also worked as a vice president for Edelman's corporate social responsibility and sustainability practice.

Ms. Lacey started her career in Europe. She worked for six years at the World Economic Forum (WEF) in Geneva, Switzerland. At the WEF, she held several roles including senior partnership manager and head of corporate affairs. Ms. Lacey co-founded the WEF's Women Leaders Programme aimed at increasing the participation of women leaders in the Davos conference. She also worked for Reuters in Geneva.

Ms. Lacey was educated in the United States. She has a Bachelor of Science Degree from the Arizona State University and holds a Master of Science Degree from Columbia University in the City of New York.

PCRD'S most significant asset is its 21.8% stake in Hong Kong-listed PCCW Limited (PCCW). PCRD has been the largest shareholder of PCCW since 1999.

PCCW recorded strong operational and financial performance in its core businesses in the year ended 31 December 2014. The following review outlines the main achievements and the outlook for PCCW's and PCRD's various business segments.

EXPANDING DIGITAL MEDIA SERVICE

Having further consolidated its pay-TV leadership in Hong Kong, PCCW's media group has been actively expanding its regional and international content distribution business as well as developing its digital OTT service in Hong Kong with a focus on entertainment and music.

PCCW's first TV drama series, The Virtuous Queen of Han, debuted in the second half of last year, attracting large audiences through leading TV stations and top online video platforms in mainland China. The series has also reached 13 other markets including Cambodia, Japan, Malaysia, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, the Philippines, and Vietnam in the region, as well as Australia, New Zealand and North America. The Cantonese version was broadcast on **now** TV and via mobile app in Hong Kong in January 2015. Following the success of this project, more co-production dramas are planned.

Through a number of partnerships with overseas broadcasters, **now** branded content can currently be viewed across many Chinese communities in Asia and in North America, having further expanded its footprint from a year ago. The latest addition was the January 2015 launch of the **now** Baogu movie branded block on a leading cable operator in Taiwan which reaches 800,000 subscribers.

In the music segment, a new version of MOOV music app was launched last June offering a high quality audio and video music service, while at the same time paving the way for the internationalisation of the product. PCCW has reached an agreement with BesTV, the biggest IPTV operator in China, to roll out MOOV nationally as its exclusive music partner. In addition to Guangdong, MOOV's footprint will cover Fujian, Shanghai and Xinjiang in early 2015.

now TV viewers have over the years embraced a multi-channel, multi-platform viewing behaviour, not only enjoying its offering of over 190 channels on a broadcast and on-demand viewing basis, but also via companion apps on the go. For instance, the **now** NEWS app is a popular source of professional news reports and commentaries. Last year, the number of downloads of the app exceeded one million and it was ranked for a period among the top free apps in both App Store and Google Play.

Significant Events in 2014

FEBRUARY

now TV launches select **now** branded channels on Bell's Fibe TV of Canada as part of its content distribution business development.

MARCH

Pacific Century Premium Developments' office building project in Jakarta, Indonesia achieves the coveted LEED Platinum Grade Pre-certification awarded by US Green Building Council, the first of its type in Indonesia.

APRIL

Pacific Century Premium Developments sells its interest in Pacific Century Place, Beijing.

In view of current viewing habits, **now** TV announced in December the introduction of Hong Kong's first TV audience measurement using Return-Path-Data (RPD) technology. **now** TV aims to better service its advertisers and advertising and media agencies by offering viewing analysis of **now** TV content across multiple platforms.

In December, the Hong Kong Chief Executive in Council approved the renewal of **now** TV's current Domestic Pay Television Programme Service License for another 12 years from September 2015.

Meanwhile, as of the year-end, PCCW was still in discussion with the Hong Kong Government regarding the final licence terms of the Domestic Free Television Programme Service License for HK Television Entertainment Company Limited.

ENABLING DIGITAL TRANSFORMATION OF BUSINESSES

PCCW Solutions, the Group's enterprise IT flagship, last year focused on establishing itself as the partner of choice for customers undergoing transformation into digital businesses. As the market leader in Hong Kong, PCCW Solutions continued to win significant long-term contracts from both the private and public sectors for project implementation, outsourcing and data centre services. In mainland China, the business registered another year of high growth as PCCW applied its expertise to more diversified industries.

The opening earlier last year of a world-class data centre in Kwai Chung with strong anchor tenants is testament to the team's business acumen and capability to meet the growing cloud and data centre needs of enterprises. Opening in phases, the Powerb@se MCX10 Data Center is PCCW Solutions' 10th data centre facility in Hong Kong and mainland China. It supports a full spectrum of cloud services – ranging from infrastructure, platform, software, content to process – offered by PCCW Solutions and its technology partners, thereby offering flexibility in fulfilling customers' changing business requirements.

To cater to the new demands of application delivery and data management, PCCW Solutions has been taking a more active role in supporting end users, going beyond the traditional role of providing physical data storage facility to offering digital infrastructure and vertical applications for different segments, so that customers can conduct their digital business and even cross-border operations simply and effectively. In this connection, PCCW Solutions has also launched the Enterprise Solutions Superstore Alliance (ESSA) Incubation Program in support of social enterprise development. This program aims to facilitate technology start-ups by offering cloud resources, office space and facilities at the Kwai Chung facility as well as technical support and business consultation.

MAY

HKT completes the acquisition of CSL New World Mobility Limited (now known as CSL Holdings Limited) on 14 May, becoming the largest mobile service operator in Hong Kong.

JUNE

Music service MOOV releases a brand new version of MOOV music app.

AUGUST

now TV's first TV drama coproduction, "The Virtuous Queen of Han", debuts on three major mainland China TV stations, achieving top TV ratings.

Banking and finance is a key growth area for enterprise solutions. In September, PCCW Solutions launched iVisionBanking, the next-generation core banking and finance solution which combines the most advanced IT technology in the industry with international best practices. Offering a wide range of features including business intelligence, mobile banking and a multi-language operating system, iVisionBanking meets customers' needs in terms of interest rate liberalisation, big data, mobile finance, risk management, Internet finance and customer relationship management. Customers can enhance the services of their core business systems to conform to international banking and finance operation standards.

MARKET LEADER IN TELECOM SERVICES

As the premier service provider in Hong Kong, HKT continued to successfully execute its strategy to provide unparalleled network quality, innovative products and value-added features, and excellent customer service while growing its business.

HKT's acquisition of CSL New World Mobility Limited (CSLNW – now known as CSL Holdings Limited) was completed in May 2014. HKT has re-launched its mobile brands, rationalised retail channels, simplified service plans and embarked on integration of networks. Network integration and enhancement work will continue throughout 2015 in order to further improve network service quality, while unlocking operational synergies.

To add value for customers, csl. announced in December the upgrade of its mobile network to 4G LTE-Advanced at 300Mbps download speed – a first in the market and a substantial step-up from the previous 150Mbps. This upgrade will progressively cover Hong Kong through 2015.

The fixed broadband business experienced intensified competition last year, but HKT continued to register an encouraging increase in the number of customers enjoying genuine fibre-to-the-home (FTTH) service, which has exceeded half a million.

The local commercial business reported satisfactory performance despite the fact that the business sector was cautious about telecom spending amid a softer economy. The acquisition of CSLNW has enhanced HKT's unrivalled ability to offer a range of end-to-end fixed-mobile integration (FMI) solutions.

Internationally, PCCW Global continued to expand its connectivity coverage and enrich its service portfolio. For example, it raised its network security capability through the acquisition of a European company specialising in solutions for detecting and responding to cyber threats.

SEPTEMBER

PCCW Solutions launches the iVisionBanking solution, a next-generation core banking and finance solution.

OCTOBER

PCCW Solutions officially opens the Powerb@se MCX10 Data Center in Kwai Chung, Hong Kong.

PCCW Solutions launches the Enterprise Solutions Superstore Alliance Incubation Program to facilitate technology start-ups.

PROPERTY DEVELOPMENT AND INVESTMENT

With the completion of the sale of Pacific Century Place in Beijing in August 2014, Pacific Century Premium Developments (PCPD) will focus on continued development of its existing projects which will be funded in part from the sale proceeds, while identifying new investment opportunities given its strengthened financial position.

PCPD's existing hotel and resort projects in Japan and Thailand are progressing well. The premium office building project in Jakarta, Indonesia has also seen encouraging development in the last few months. The foundation and the basement wall have been completed and the basement excavation work is now underway. This project was selected as one of the finalists in the Building Projects under Design category for the Green Building Award 2014 organised by the Hong Kong Green Building Council. PCPD is confident that the building will be completed and fully operational in 2017.

PCPD will continue to look for attractive opportunities in the region and farther away where it may further build up its portfolio and replicate its success in the development of large-scale property projects.

KSH DISTRIPARKS

KSH, in which PCRD has a 49.9% stake, is an Indian logistics company with an inland container depot (ICD) in Pune, India. It provides ICD (including bonding) infrastructure, warehousing, transportation and national third party logistics services to blue chip international industrial clients. Pune continues to benefit from the need to shift container volumes from the overcrowded port of Mumbai. There also continues to be a large demand for warehouse and logistics infrastructure in India. KSH is well positioned to exploit this demand by developing new warehousing and logistics facilities in Chakan.

DECEMBER

now TV introduces Hong Kong's first television audience measurement using Return-Path-Data technology for tracking cross-platform viewership.

now TV is granted renewal of its pay-TV licence for another 12 years commencing September 2015.

HKT becomes Hong Kong's first mobile operator to upgrade its mobile network to 4G LTE-Advanced at 300Mbps.

Financial Highlights

CONDENSED CONSOLIDATED INCOME STATEMENT INFORMATION

For the year ended 31 December

	Group 2014 $'000	Group 2013 $'000
Revenue	**9,064**	7,679
Profit from operating activities after finance costs	**2,271**	664
Changes in carrying value of associated companies:		
– Share of profit of associated companies	**117,009**	65,085
Net loss on liquidation/dissolution of subsidiary companies	**(886)**	(2,130)
Profit before income tax	**118,394**	63,619
Attributable to equity holders of the Company		
Profit after tax and non-controlling interests	**116,898**	69,358
Per Share Data		
Earnings per share (Singapore cents)	**3.90**	2.26

CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION

As at 31 December

	Group	
	2014	2013
	$'000	$'000
Current assets	**15,613**	74,541
Non-current assets	**929,990**	736,848
Total assets	**945,603**	811,389
Current liabilities	**(66,686)**	(4,334)
Non-current liabilities	**(3,543)**	(1,905)
Total liabilities	**(70,229)**	(6,239)
Net assets	**875,374**	805,150
Represented by:		
Share capital	**457,283**	457,283
Treasury shares	**–**	(9,276)
Other reserves	**211,536**	181,327
Retained profits	**206,555**	175,816
Non-controlling interests	**–**	–
Net assets	**875,374**	805,150
Attributable to equity holders of the Company		
Net assets	**875,374**	805,150
Per Share Data		
Net assets per share (Singapore cents)	**31.8**	26.4

Corporate Information

BOARD OF DIRECTORS

Richard Li Tzar Kai
Chairman

Francis Yuen Tin Fan
Deputy Chairman

Peter A. Allen
Group Managing Director

Alexander Anthony Arena

Tom Yee Lat Shing
Lead Independent Director

Chng Hee Kok

Frances Wong Waikwun

Laura Deal Lacey

EXECUTIVE COMMITTEE

Richard Li Tzar Kai
Chairman

Peter A. Allen

NOMINATING COMMITTEE

Frances Wong Waikwun
Chairwoman

Tom Yee Lat Shing

Chng Hee Kok

Laura Deal Lacey

AUDIT COMMITTEE

Tom Yee Lat Shing
Chairman

Francis Yuen Tin Fan

Frances Wong Waikwun

REMUNERATION COMMITTEE

Francis Yuen Tin Fan
Chairman

Chng Hee Kok

Laura Deal Lacey

COMPANY SECRETARY

Lim Beng Jin

REGISTERED OFFICE

50 Raffles Place #35-01
Singapore Land Tower
Singapore 048623
Tel: (65) 6438 2366
Fax: (65) 6230 8777

AUDITORS

PricewaterhouseCoopers LLP

AUDIT PARTNER

Charlotte Hsu
(appointed in 2012)

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

COMPANY REGISTRATION NO.

196300381N

Directors' Report and Financial Statements

Contents

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2014 and the balance sheet of the Company as at 31 December 2014.

DIRECTORS

The directors of the Company in office at the date of this report are:

Mr. Richard Li Tzar Kai
Mr. Francis Yuen Tin Fan
Mr. Peter A. Allen
Mr. Alexander Anthony Arena
Mr. Tom Yee Lat Shing
Mr. Chng Hee Kok
Ms. Frances Wong Waikwun
Ms. Laura Deal Lacey (appointed 12 February 2015)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, the following directors holding office at the end of the financial year had an interest in the shares or debentures of the Company or its related corporations, or options to subscribe for ordinary shares of the Company:

	Ordinary shares registered in name of director or nominee		Ordinary shares in which directors are deemed to have an interest	
The Company	At 31.12.2014	At 1.1.2014	At 31.12.2014	At 1.1.2014
Richard Li Tzar Kai[(a)]	–	–	28,167,000	28,167,000
Peter A. Allen	5,010,000	5,010,000	–	–

(a) Richard Li Tzar Kai is deemed to be interested in 28,167,000 shares of the Company held by Hopestar Holdings Limited, a company which is 100% owned by Richard Li Tzar Kai.

Except as stated above, no other director who held office at the end of the financial year had an interest in shares or debentures of the Company or its related corporations. There was no change in any of these interests between the end of the financial year and 21 January 2015. Neither at the end of the financial year, nor at any time during that year, did there exist any arrangements, to which the Company is a party, whereby directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or has become entitled to receive benefits under contracts required to be disclosed by Section 201(8) of the Singapore Companies Act, Cap. 50, except that a Director has an employment relationship with the Company, and has received remuneration in that capacity.

SHARE OPTIONS OF THE COMPANY

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the beginning or end of the financial year.

AUDIT COMMITTEE

The audit committee (the "Committee") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

1. Reviewed the independence of external auditors and recommended to the Board of Directors whether the external auditors be re-appointed.

2. Reviewed with management, upon finalisation and prior to publication, the financial results for each quarter, half-year and full year.

3. Reviewed interested person transactions and the adequacy of the Company's internal control procedures in relation to interested person transactions.

4. Reviewed compliance with accounting standards, all relevant laws, the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance issued by the SGX-ST.

5. Reviewed any changes during the year in accounting policies and their application.

6. Reviewed significant adjustments proposed and any recommendations on internal accounting controls arising from the statutory audit by the external auditors.

7. Reviewed the audit plans of the external auditors of the Company and the nature and scope of the audit and the co-operation given by management.

8. Reviewed with the Company's management the adequacy of the Company's internal controls in respect of management and business practices and reviewed with management and external auditors' significant accounting and auditing issues.

9. Reported to the Board or relevant authorities any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any relevant Singapore law or other regulation, which has or is likely to have a material impact on the Group's operating results.

10. Reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2014 before their submission to the Board of Directors, as well as the independent auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group.

The Committee reviews all non-audit services provided by the external auditors so as to ensure the nature and extent of such non-audit services does not affect the independence of the external auditors. There were no non-audit services provided by the external auditors during the year.

AUDIT COMMITTEE (continued)

Pursuant to the requirements of the SGX-ST, the Committee reviewed the SGX-ST requirements for the approval and disclosure of interested person transactions. The Committee has also reviewed the procedures set up by the Company to identify and report and where necessary, to seek the appropriate approval for interested person transactions.

The Committee convened four meetings during the year with full attendance from all members. The Committee meets with external auditors, without the presence of the Company's management, at least once a year. Further details regarding the Committee are disclosed in the Report on Corporate Governance.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Francis Yuen Tin Fan
Deputy Chairman

Peter A. Allen
Group Managing Director

Singapore
20 March 2015

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 19 to 75 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

Francis Yuen Tin Fan
Deputy Chairman

Peter A. Allen
Group Managing Director

Singapore
20 March 2015

Independent Auditor's Report

To the Members of Pacific Century Regional Developments Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Pacific Century Regional Developments Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 19 to 75, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2014 and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
20 March 2015

Consolidated Income Statement

For the financial year ended 31 December 2014

	Notes	2014 $'000	2013 $'000
Revenue	4	**9,064**	7,679
Other income	5	**21**	969
Expenses			
– Depreciation of property, plant and equipment	18	**(45)**	(36)
– Employee compensation	6	**(1,278)**	(1,440)
– Directors' fees		**(221)**	(206)
– Legal and other professional fees		**(1,161)**	(941)
– Rental expense - operating leases		**(319)**	(316)
– Travelling expenses		**(139)**	(684)
– Foreign exchange loss, net		**(262)**	(1,140)
– Finance expenses	7	**(2,247)**	(1,906)
– Subscriptions and donations		**(520)**	(670)
– Telecommunications		**(43)**	(48)
– Others		**(579)**	(597)
Total expenses		**(6,814)**	(7,984)
Changes in carrying value of associated companies:			
– Share of profit of associated companies, net of tax		**117,009**	65,085
Net loss on liquidation/dissolution of subsidiary companies		**(886)**	(2,130)
Profit before income tax		**118,394**	63,619
Income tax (expense)/credit	8(a)	**(1,496)**	5,920
Total profit		**116,898**	69,539
Attributable to:			
Equity holders of the Company		**116,898**	69,358
Non-controlling interests		**–**	181
		116,898	69,539
Earnings per share attributable to equity holders of the Company			
(Singapore cents per share)	9		
– Basic		**3.90**	2.26
– Diluted		**3.90**	2.26

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2014

	2014 $'000	2013 $'000
Total profit	**116,898**	69,539
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Financial assets, available-for-sale		
– Fair value gains	**59,299**	2,930
Currency translation differences arising from consolidation		
– Gains, net	**26,492**	17,643
– Reclassification of currency translation differences of liquidated/dissoluted subsidiary companies to income statement	**886**	1,505
Share of comprehensive (loss)/income of associated companies:		
– Currency translation reserves	**(54,972)**	(9,296)
– Others	**(3,676)**	6,093
Other comprehensive income, net of tax	**28,029**	18,875
Total comprehensive income	**144,927**	88,414
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	**144,927**	88,570
Non-controlling interests	**–**	(156)
	144,927	88,414

The accompanying notes form an integral part of these financial statements.

	Notes	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**14,978**	73,332	**8,523**	70,676
Financial assets, at fair value through profit or loss	11	**8**	17	**8**	17
Trade and other receivables	12	**174**	175	**5**	31
Other current assets	13	**453**	1,017	**103**	614
		15,613	74,541	**8,639**	71,338
Non-current assets					
Financial assets, available-for-sale	14	**260,593**	147,029	**226,753**	139,727
Other receivables	15	**36**	70	**–**	–
Investments in associated companies	16	**669,087**	589,180	**894,785**	804,515
Investments in subsidiary companies	17	**–**	–	**159,841**	121,548
Property, plant and equipment	18	**62**	84	**–**	–
Other non-current assets	19	**212**	485	**–**	95
		929,990	736,848	**1,281,379**	1,065,885
Total assets		**945,603**	811,389	**1,290,018**	1,137,223
LIABILITIES					
Current liabilities					
Trade and other payables	20	**4,392**	4,321	**116,754**	77,095
Current income tax liabilities	8(b)	**6**	13	**1**	2
Borrowings	21	**62,288**	–	**26,470**	–
		66,686	4,334	**143,225**	77,097
Non-current liabilities					
Deferred income tax liabilities	22	**3,543**	1,905	**3,543**	1,905
		3,543	1,905	**3,543**	1,905
Total liabilities		**70,229**	6,239	**146,768**	79,002
NET ASSETS		**875,374**	805,150	**1,143,250**	1,058,221
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	23	**457,283**	457,283	**457,283**	457,283
Treasury shares	23	**–**	(9,276)	**–**	(9,276)
Other reserves	24	**211,536**	181,327	**10,361**	(93,588)
Retained profits		**206,555**	175,816	**675,606**	703,802
Total equity		**875,374**	805,150	**1,143,250**	1,058,221

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2014

	Attributable to equity holders of the Company				
	Share capital $'000	Treasury shares $'000	Other reserves $'000	Retained profits $'000	Total equity $'000
Group					
Balance at 1 January 2014	**457,283**	**(9,276)**	**181,327**	**175,816**	**805,150**
Total comprehensive income for the year	**–**	**–**	**28,029**	**116,898**	**144,927**
Purchase of treasury shares (Note 23)	**–**	**(35,448)**	**–**	**–**	**(35,448)**
Cancellation of treasury shares (Note 23)	**–**	**44,724**	**–**	**(44,724)**	**–**
Purchase and cancellation of shares (Note 23)	**–**	**–**	**–**	**(41,472)**	**(41,472)**
Share of reserves of associated companies:					
– Equity share compensation reserve	**–**	**–**	**2,180**	**–**	**2,180**
– Remeasurements of defined benefit obligations	**–**	**–**	**–**	**(557)**	**(557)**
– Share of other comprehensive loss of an associate's associate	**–**	**–**	**–**	**(37)**	**(37)**
– Purchase of Share Stapled Units under share award schemes	**–**	**–**	**–**	**(223)**	**(223)**
– Vesting of PCCW Shares and Share Stapled Units under share award schemes	**–**	**–**	**–**	**186**	**186**
– Change in ownership interests in an associate's subsidiary company without change of control	**–**	**–**	**–**	**891**	**891**
– Exercise of employee share options of an associate's subsidiary company	**–**	**–**	**–**	**(223)**	**(223)**
Balance at 31 December 2014	**457,283**	**–**	**211,536**	**206,555**	**875,374**
	(Note 23)	(Note 23)	(Note 24)		

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2014

	Attributable to equity holders of the Company						
	Share capital $'000	Treasury shares $'000	Other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group							
Balance at 1 January 2013	457,283	–	164,552	104,116	725,951	6,605	732,556
Total comprehensive income/(loss) for the year	–	–	19,212	69,358	88,570	(156)	88,414
Purchase of treasury shares (Note 23)	–	(10,799)	–	–	(10,799)	–	(10,799)
Cancellation of treasury shares (Note 23)	–	1,523	–	(1,523)	–	–	–
Dissolution of a subsidiary company	–	–	–	–	–	(6,449)	(6,449)
Share of reserves of associated companies:							
– Equity share compensation reserve	–	–	(2,437)	–	(2,437)	–	(2,437)
– Remeasurements of defined benefit obligations	–	–	–	2,959	2,959	–	2,959
– Share of other comprehensive loss of an associate's associate	–	–	–	(34)	(34)	–	(34)
– Purchase of Share Stapled Units under Share Stapled Units award schemes	–	–	–	(1,219)	(1,219)	–	(1,219)
– Reclassification due to expiry of share options	–	–	–	2,193	2,193	–	2,193
– Dividend paid to vested PCCW Shares under the share award schemes	–	–	–	(34)	(34)	–	(34)
Balance at 31 December 2013	457,283	(9,276)	181,327	175,816	805,150	–	805,150
	(Note 23)	(Note 23)	(Note 24)				

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2014

	Notes	2014 $'000	2013 $'000
Cash flow from operating activities:			
Profit after tax		**116,898**	69,539
Adjustments for:			
– Income tax expense/(credit)		**1,496**	(5,920)
– Depreciation of property, plant and equipment		**45**	36
– Net loss on liquidation/dissolution of subsidiary companies		**886**	2,130
– Interest income		**(29)**	(913)
– Finance expenses		**2,247**	1,906
– Unrealised currency translation (gains)/losses		**(1,657)**	1,780
– Fair value loss on financial assets designated as fair value through profit or loss		**9**	5
Change in carrying values of associated companies:			
– Share of profit of associated companies, net of tax		**(117,009)**	(65,085)
		2,886	3,478
Change in working capital:			
– Trade and other receivables		**867**	(139)
– Trade and other payables		**(29)**	(2,565)
Cash generated from operations		**3,724**	774
Interest received		**29**	913
Income tax (paid)/refunded		**(13)**	240
Net cash generated from operating activities		**3,740**	1,927
Cash flow from investing activities:			
Net cash outflow on dissolution of a subsidiary company	10	**–**	(24,410)
Purchase of property, plant and equipment		**(23)**	(389)
Proceeds received on disposal of investment		**–**	1,783
Dividends received from an associated company		**–**	50,382
Purchase of financial assets, available-for-sale		**(48,252)**	–
Movements in restricted cash and fixed deposits		**–**	8,041
Net cash (used in)/generated from investing activities		**(48,275)**	35,407
Cash flow from financing activities:			
Finance expenses paid		**(2,247)**	(1,906)
Proceeds from borrowings		**89,578**	26,164
Repayment of borrowings		**(27,290)**	(26,164)
Purchases of treasury shares		**(35,448)**	(10,799)
Purchases of the Company's shares		**(41,472)**	–
Net cash used in financing activities		**(16,879)**	(12,705)
Net (decrease)/increase in cash and cash equivalents		**(61,414)**	24,629
Cash and cash equivalents at beginning of year	10	**73,332**	49,522
Effects of currency translation on cash and cash equivalents		**3,060**	(819)
Cash and cash equivalents at end of year	10	**14,978**	73,332

Significant non-cash transactions are detailed in Note 10.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Pacific Century Regional Developments Limited (the "Company") is listed on the Singapore Exchange Securities Trading Limited and is incorporated and domiciled in Singapore. The address of its registered office is 50 Raffles Place, #35-01 Singapore Land Tower, Singapore 048623.

The immediate holding company of the Company is Pacific Century Group (Cayman Islands) Limited, which is incorporated in the Cayman Islands. The ultimate holding company is OS Holdings Limited, which is incorporated in Bermuda.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies and principal associated companies are set out in Note 28.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements of the Company and the Group are prepared on a going concern basis for the financial year ended 31 December 2014 notwithstanding the net current liabilities positions, on the basis that the Company holds a significant number of quoted shares in PCCW Limited ("PCCW") and Share Stapled Units ("SSUs") in HKT Trust and HKT Limited which are frequently traded and whose market values are higher than their carrying values on the balance sheets of the Company and the Group as at 31 December 2014.

These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Those areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2014

On 1 January 2014, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application in the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company, and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 112 Disclosures of Interests in Other Entities

The Group adopted the above new FRS on 1 January 2014. The amendment is applicable to annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new FRS 110 *Consolidated Financial Statements* and FRS 111 *Joint Arrangements*, and replaces the disclosure requirements currently found in FRS 27 (revised 2011) *Separate Financial Statements* and FRS 28 (revised 2011) *Investments in Associates and Joint Ventures*.

The Group has applied FRS 112 retrospectively in accordance with the transitional provisions (as amended subsequent to the issuance of FRS 112 in September 2011) in FRS 112. The Group has incorporated the additional required disclosures into its financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue is presented after eliminating revenue within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Dividend income

Dividend income is recognised when the right to receive payment is established.

(b) Rendering of other services – fee income and others

Revenue from the provision of other services are recognised when the services are rendered.

(c) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

2.3 Group accounting

(a) Subsidiary companies

(i) Consolidation

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which that control ceases.

In preparing consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary company's net results of operations and its net assets which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to non-controlling interests based on their respective interests in a subsidiary company, even if this results in non-controlling interests having a deficit balance.

(ii) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary company comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary company.

Acquisition-related costs are expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) *Subsidiary companies* (continued)

(ii) *Acquisition of businesses* (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to Note 2.5 "Intangible assets – Goodwill on acquisitions" for the accounting policy on goodwill.

(iii) *Disposals of subsidiary companies or businesses*

When a change in the Group's ownership interest in a subsidiary company results in a loss of control over the subsidiary company, the assets and liabilities of the subsidiary company including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.7 "Investments in subsidiary companies and associated companies" for the accounting policy on investments in subsidiary companies and associated companies in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary company that do not result in a loss of control over that subsidiary company are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of a non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(c) *Associated companies*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisitions*

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(c) *Associated companies* (continued)

(ii) *Equity method of accounting*

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. Post-acquisition movements and distributions received from associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company. The Group recognises its share of other equity movements in its consolidated statement of changes in equity.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's accounting policies are applied to the results of associated companies where necessary to ensure consistency.

(iii) *Disposals*

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognised in profit or loss.

Where dividends paid by an associated company are in excess of the carrying amount of the Group's investment, the carrying value of the associated company is reduced to nil, but does not become negative. If the Group has no legal or constructive obligations to make payments on behalf of the associated company, then dividends in excess of the carrying amount of the Group's investment are recognised in profit or loss. In subsequent years, if the associated company makes profits, the Group will increase the carrying value of its investment in the associated company by its share of subsequent profits and movement in reserves; and will then assess whether the investment is impaired.

Please refer to Note 2.7 "Investments in subsidiary companies and associated companies" for the accounting policy on investments in associated companies in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) *Measurement*

(i) *Property, plant and equipment*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment (continued)

(b) *Depreciation*

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over estimated useful lives as follows:

	Useful lives
Renovations, furniture, fittings and office equipment	3 to 5 years
Motor vehicles	5 years
Other plant, machinery and equipment	2 to 7 years

The amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant parts and each significant part is depreciated separately if those parts have different useful lives.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditures*

Subsequent expenditures relating to property, plant and equipment are added to the carrying amount of an asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant or equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.5 Intangible assets – Goodwill on acquisitions

Goodwill on acquisitions of subsidiary companies and businesses on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisitions of subsidiary companies and businesses prior to 1 January 2010 represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiary companies is recognised separately as an intangible asset and is carried at cost less accumulated impairment losses.

Goodwill on acquisition of an associated company is included in the carrying amount of the investment.

Gains and losses on the disposal of a subsidiary company or associated company include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Investments in subsidiary companies and associated companies

Investments in subsidiary companies and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiary companies and associated companies, the difference between disposal proceeds and the carrying amounts of the investments is recognised in profit or loss.

2.8 Impairment of non-financial assets

(a) *Goodwill*

Goodwill is tested for impairment annually and whenever there is any indication that goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associated company is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in profit or loss, and is not reversed in subsequent periods.

(b) *Property, plant and equipment*
Investments in subsidiary companies and associated companies

Property, plant and equipment and investments in subsidiary companies and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent from those of other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss for an asset other than goodwill is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

(i) *Financial assets, at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months from the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 12) and "cash and cash equivalents" (Note 10) in the balance sheet.

(iii) *Financial assets, available-for-sale*

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from them have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs, except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) *Subsequent measurement*

Financial assets, both available-for-sale and at fair value through profit or loss, are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

(d) *Subsequent measurement* (continued)

Interest and dividend income on financial assets, available-for-sale are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) *Loans and receivables*

Significant financial difficulties of a debtor, probability that a debtor will enter bankruptcy, default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of such assets is reduced through the use of an impairment allowance account which represents the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When an asset becomes uncollectible, it is written off against the impairment allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

(ii) *Financial assets, available-for-sale*

In addition to the objective evidence of impairment described in Note 2.9(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered to be an indicator that an available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.10 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months from the balance sheet date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss, over the period of the borrowings, using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.12 Derivative financial instruments and hedging activities

An associated company of the Group uses financial instruments such as currency forwards, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures. The following has been disclosed in the audited financial statements of the associated company.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period. The gain or loss on remeasurement to fair value is recognised immediately in the associated company's profit or loss, except where the derivatives are designated and qualify for hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

The full fair value of a hedging derivative is classified as the associated company's non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as the associated company's current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as the associated company's current asset or liability.

Hedging activities

(a) *Fair value hedge*

Where a derivative financial instrument is designated as a hedge of the fair value of a recognised asset or liability or an unrecognised firm commitment (or an identified portion of such asset, liability or firm commitment), changes in the fair value of the derivative are recorded in the associated company's profit or loss within "Finance costs", together with any changes in fair value of the hedged asset or liability that are attributable to the hedged risk.

When a hedging instrument expires or is sold, terminated or exercised, or no longer meets the criteria for hedge accounting; or the associated company of the Group revokes designation of the hedge relationship, the cumulative adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the associated company's profit or loss over the residual period to maturity.

(b) *Cash flow hedge*

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, the effective portion of changes in the fair value of the derivative is recognised in the associated company's other comprehensive income and accumulated separately in the hedging reserve under the associated company's equity. The ineffective portion of any gain or loss is recognised immediately in the associated company's profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from the associated company's equity and included in the initial cost or other carrying amount of the non-financial asset or liability.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Derivative financial instruments and hedging activities (continued)

Hedging activities (continued)

(b) *Cash flow hedge* (continued)

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated cumulative gain or loss is removed from the associated company's equity and recognised in the associated company's profit or loss in the same period or periods during which the asset acquired or liability assumed affects the associated company's profit or loss (such as when the interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two paragraphs, the associated cumulative gain or loss is removed from the associated company's equity and recognised in the associated company's profit or loss in the same period or periods during which the hedged forecast transaction affects the associated company's profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or no longer meets the criteria for hedge accounting; or the associated company of the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the associated cumulative gain or loss at that point remains in the associated company's equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to occur, the cumulative unrealised gain or loss recognised in the associated company's equity is recognised immediately in the associated company's profit or loss.

2.13 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company and the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date including estimating the fair values of the financial assets by reference to the values reflected in statements from fund managers or the net assets of the investee company, adjusting where applicable using appropriate measures to fair value the underlying assets and liabilities.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.14 Operating leases – When the Group is the lessee

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the lease term.

2.15 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary companies and associated companies, except where the Group is able to control the timing of the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation and when the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. Increases in provisions due to the passage of time are recognised in profit or loss as finance expenses.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.17 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as an employee compensation expense when they are due.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee compensation (continued)

(c) *Share-based payment transactions*

An associated company of the Group has adopted, and disclosed in its financial statements, an accounting policy which states that it operates share option schemes where employees (including directors) are granted options to acquire shares of the associated company at specified exercise prices. The fair value of the employee services received in exchange for the grant of the options is recognised as staff costs in the associated company's income statement with a corresponding increase in an employee share-based compensation reserve under the associated company's equity. The fair value of the options granted is measured at grant date using the trinomial option pricing model, taking into account the terms and conditions upon which the options were granted, and spread over the respective vesting period during which the employees become unconditionally entitled to the options. During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited in the associated company's income statement for the year of the review, unless the original staff costs qualify for recognition as an asset, with a corresponding adjustment to the associated company's employee share-based compensation reserve. On vesting date, the amount recognised as staff costs is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the associated company's employee share-based compensation reserve).

The equity amount is recognised in the associated company's employee share-based compensation reserve until either the share options are exercised (when it is transferred to the associated company's share capital account) or the share options expire (when it is released directly to the associated company's retained profits or accumulated loss). When the share options are exercised, the proceeds received, net of any directly attributable transaction cost, are credited to the associated company's share capital.

An associated company of the Group also grants shares of the associated company to employees at nil consideration under its share award schemes, under which the awarded shares are either newly issued at issue price (the "Subscription Scheme") or are purchased from the open market (the "Purchase Scheme"). The cost of shares purchased from the open market is recognised in the associated company's equity as treasury stock. The fair value of the employee services received in exchange for the grant of shares under both schemes is recognised as staff costs in the associated company's income statement with a corresponding increase in the associated company's employee share-based compensation reserve under equity. The fair value of the awarded shares is measured by the quoted market price of the shares at grant date and is charged to the associated company's income statement over the respective vesting period. During the vesting period, the number of awarded shares that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited in the associated company's income statement for the year of the review, unless the original staff costs qualify for recognition as an asset, with a corresponding adjustment to the associated company's employee share-based compensation reserve. On vesting date, the amount recognised as staff costs is adjusted to reflect the actual number of awarded shares that vest (with a corresponding adjustment to the associated company's employee share-based compensation reserve) and the cost of awarded shares recognised by the associated company as treasury stock is transferred to the associated company's employee share-based compensation reserve, with any difference to be recognised in the associated company's equity.

Shares of the associated company granted to employees of the associated company by the principal shareholder of the associated company are accounted for in accordance with the same policy as for the share options granted under share option schemes as described above. The fair value of the shares granted by the principal shareholder of the associated company is measured by the quoted market price of the shares at grant date and is charged to the associated company's income statement over the respective vesting period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").The functional currency of the Company is the Hong Kong Dollar. The financial statements are presented in Singapore Dollars because the Company is listed on the Singapore Exchange Securities Trading Limited and is incorporated and domiciled in Singapore.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the income statement.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "foreign exchange loss, net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rate at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the date of the balance sheet. For acquisitions prior to 1 January 2005, the exchange rates at the dates of acquisition are used.

2.19 Cash and cash equivalents

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chairman, Deputy Chairman and Group Managing Director, who are responsible for allocating resources and assessing performance of the operating segments.

2.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When the Company purchases its ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the carrying amounts are netted off against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.22 Dividends to the Company's equity holders

Dividends to the Company's equity holders are recognised when the dividends are approved for payment.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key source of estimation uncertainty

Key assumptions concerning the future, and other key sources of estimation and uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are considered below.

Income taxes

The Group has exposure to income taxes in several jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain. The Group recognises expected tax liabilities based on an assessment of whether taxes will be due. Where the final tax outcome is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax liabilities in the period in which such determination is made. The carrying amount of the Group's tax payable at 31 December 2014 is $6,000 (2013: $13,000). The carrying amount of the Group's deferred tax liabilities at 31 December 2014 is $3,543,000 (2013: $1,905,000).

4. REVENUE

	Group 2014 $'000	Group 2013 $'000
Dividend income	**8,928**	7,661
Management fees – associated company	**3**	3
Management fees – related parties	**133**	15
	9,064	7,679

5. OTHER INCOME

	Group 2014 $'000	Group 2013 $'000
Interest income – bank deposits	**29**	913
Fair value loss on financial assets designated as fair value through profit or loss at initial recognition	**(9)**	(5)
Sundry income	**1**	61
	21	969

6. EMPLOYEE COMPENSATION

	Group 2014 $'000	Group 2013 $'000
Wages and salaries	**1,188**	1,357
Employer's contributions to defined contribution plans including Central Provident Fund	**90**	83
	1,278	1,440

7. FINANCE EXPENSES

	Group 2014 $'000	Group 2013 $'000
Interest expense – bank borrowings	**150**	260
Finance facility fees	**2,097**	1,646
	2,247	1,906

8. INCOME TAXES

(a) Income tax expense/(credit)

	Group 2014 $'000	Group 2013 $'000
Tax credit attributable to profit is made up of:		
Profit from current financial year:		
Current income tax		
– Singapore	**6**	13
Deferred income tax (Note 22)	**1,461**	1,261
	1,467	1,274
Under/(over) provision in prior financial years:		
Current income tax	**–**	(331)
Deferred income tax (Note 22)	**29**	(6,863)
Tax expense/(credit)	**1,496**	(5,920)

The tax expense/(credit) on the Group's profit differs from the amount that would arise using the Singapore standard rate of income tax as explained below:

	Group 2014 $'000	Group 2013 $'000
Profit before tax	**118,394**	63,619
Less: Share of profit of associated companies	**(117,009)**	(65,085)
	1,385	(1,466)
Tax calculated at tax rate of 17% (2013: 17%)	**235**	(249)
Effects of:		
– Income not subject to tax	**(440)**	(998)
– Expenses not deductible for tax purposes	**1,679**	2,474
– Different tax rates in other countries	**5**	113
– Partial tax exemption	**(10)**	(20)
– Corporate income tax rebate	**(2)**	(35)
– Others	**–**	(11)
Tax charge	**1,467**	1,274

8. INCOME TAXES (continued)

(b) Movement in current income tax liabilities

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**13**	92	**2**	84
Currency translation differences	**–**	(1)	**–**	(1)
Income tax (paid)/refunded	**(13)**	240	**(2)**	245
Tax expense	**6**	13	**1**	2
Over provision in prior financial years	**–**	(331)	**–**	(328)
End of financial year	**6**	13	**1**	2

(c) There are no tax charges or credits relating to each component of other comprehensive income.

9. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2014	2013
Net profit attributable to equity holders of the Company ($'000)	**116,898**	69,358
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,998,450**	3,071,319
Basic earnings per share (Cents per share)	**3.90**	2.26

(b) Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as there was no dilutive effect on earnings per share calculations due to the absence of any dilutive financial instruments during the financial years ended 31 December 2013 and 2014.

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**10,263**	41,621	**3,808**	38,965
Short-term bank deposits	**4,715**	31,711	**4,715**	31,711
	14,978	73,332	**8,523**	70,676

Dissolution of subsidiary company

Dissolution of Pasha Ventures Private Limited ("Pasha") – 2013

In accordance with the restructuring of Pasha and KSH Distriparks Private Limited ("KSH"), KSH issued new equity shares amounting to $17,727,000 as consideration for the net assets of Pasha acquired. Pasha was dissolved on 30 June 2013, on completion of this restructuring. The effects of the dissolution on the cash flows of the Group were:

	Group 2013 $'000
Carrying amounts of assets and liabilities disposed	
Cash and cash equivalents	24,410
Trade and other receivables	281
Other current assets	11
Property, plant and equipment	2
Other non-current assets	106
Total assets	24,810
Trade and other payables	9
Total liabilities	9
Net assets derecognised	24,801
Less: Non-controlling interests	(6,449)
Net assets disposed	18,352
– Reclassification of currency translation reserve	2,234
	20,586
Loss on dissolution	(2,859)
Consideration received in the form of KSH shares (non-cash)	17,727

The impact of the dissolution of Pasha on cash and cash equivalents was:

	Group 2013 $'000
Significant non-cash transaction:	
– Consideration received in the form of KSH shares (non-cash)	17,727
Cash outflow on dissolution	(24,410)

11. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
At fair value on initial recognition				
Listed securities:				
– Equity securities – Singapore	**8**	17	**8**	17

12. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade receivables				
– Non-related parties	**3**	11	**5**	4
Other receivables				
– Intermediate holding company (i)	**–**	30	**–**	–
– Other related parties (ii)	**160**	125	**27**	52
– Non-related parties	**600**	2,182	**596**	596
	760	2,337	**623**	648
Less: Allowance for impairment of receivables				
– Other related parties	**(27)**	(25)	**(27)**	(25)
– Non-related parties	**(596)**	(2,182)	**(596)**	(596)
Other receivables, net	**137**	130	**–**	27
Amount receivable on sale of an associated company (iii)	**59,776**	59,776	**–**	–
Less: Allowance for impairment of receivables	**(59,776)**	(59,776)	**–**	–
Amount receivable on sale of an associated company, net	**–**	–	**–**	–
Others	**34**	34	**–**	–
	174	175	**5**	31

(i) As at 31 December 2013, the amount due from an intermediate holding company was non-trade in nature, unsecured, interest-free and repayable on demand.

(ii) Amounts due from other related parties (Note 29(a)) are non-trade in nature, unsecured, interest-free and repayable on demand.

12. TRADE AND OTHER RECEIVABLES – CURRENT (continued)

(iii) The allowance of $59,776,000 for the amount receivable on sale of an associated company was made in 1999. The background to this debt is as follows:

In 1995, the Company's 51%-owned subsidiary company, Gladioli Investments Pte Ltd ("Gladioli"), disposed of its 39% equity interest in an associated company, Bugis City Holdings Pte Ltd ("BCH"), to Montien International Limited ("Montien"). Montien was a shareholder of Gladioli.

The value of the sale of the 39% shareholding in BCH was $251 million, of which $185 million represented the cash consideration payable by Montien to Gladioli, and $66 million represented the outstanding shareholders' loan from Gladioli to BCH which Montien undertook on completion.

In connection with this disposal, the Company purchased from Montien its 49% stake in Gladioli. The value of this transaction was $123 million, of which $91 million represented cash consideration payable by the Company to Montien and $32 million represented an outstanding shareholders' loan, repayment of which was procured by the Company on completion.

The sale resulted in a gain of about $58 million for the Group in the year ended 31 December 1995. The sale was completed in July 1996. Interest was charged on the outstanding balance in accordance with the sale and purchase agreement.

The receivable was secured by a second charge against 69,576,000 shares in BCH and by a guarantee given by Madam Endang Utari Mokodompit. On 31 March 2003, a judgement debt was recognised by The High Court of The Republic of Singapore in the sum of $70,224,000 against Madam Endang Utari Mokodompit as well as Montien. As at 31 December 2014, the amount due, inclusive of interest, was $93,604,000 (2013: $92,688,000). However, the Group has not recognised any amount beyond the amount receivable of $59,776,000 (2013: $59,776,000), which is fully provided for.

13. OTHER CURRENT ASSETS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Deposits	**13**	86	**1**	1
Prepayments	**440**	931	**102**	613
	453	1,017	**103**	614

14. FINANCIAL ASSETS, AVAILABLE-FOR-SALE

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**147,029**	139,242	**139,727**	133,229
Currency translation differences	**6,013**	4,857	**6,013**	4,856
Additions	**48,252**	–	**23,425**	–
Fair value gains recognised in other comprehensive income	**59,299**	2,930	**57,588**	1,642
End of financial year	**260,593**	147,029	**226,753**	139,727

Available-for-sale financial assets are analysed as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Unquoted equity investments, at fair value				
– Cayman Islands	**33,840**	7,302	**–**	–
Quoted equity investments, at fair value				
– Hong Kong	**226,753**	139,727	**226,753**	139,727
Total	**260,593**	147,029	**226,753**	139,727

15. OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Other receivables				
– Others	**36**	70	**–**	–

16. INVESTMENTS IN ASSOCIATED COMPANIES

	Company	
	2014	2013
	$'000	$'000
Equity investments – Quoted shares		
At cost	**894,785**	804,515
Accumulated impairment losses	**–**	–
	894,785	804,515

The movements in accumulated impairment losses are as follows:

	Company	
	2014	2013
	$'000	$'000
Beginning of financial year	**–**	124,020
Currency translation differences	**–**	2,754
Write-back of impairment during financial year	**–**	(126,774)
End of financial year	**–**	–
Market value of quoted shares at balance sheet date	**1,466,566**	878,515

In 2013, the Company wrote back an impairment loss of $127 million against its securities in an associated company in Hong Kong whose traded price has been significantly above cost. Management has determined that the fair value less cost to sell approximates its recoverable amount.

Set out below are the associated companies of the Group as at 31 December 2014. The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

Name of entity	Place of business/ country of incorporation	% of ownership interest
PCCW Limited	Hong Kong	21.8
KSH Distriparks Private Limited	India	49.9

PCCW's principal activities are the provision of local and international telecommunications and information technology services, technology-related businesses, and investment holding in Hong Kong.

KSH's principal activities are the provision of infrastructure and services for an Inland Container Depot, the development of warehousing and industrial parks and third party logistics and transportation solutions in India. KSH is not considered to be material to the Group and therefore no further disclosure relating to the summarised financial information of the associated company is made.

As at 31 December 2014, the fair value of the Group's interest in PCCW, which is listed on the Hong Kong Stock Exchange, was $1,466,566,000 (2013: $878,515,000). The carrying amount of the Group's interest in PCCW was $644,845,000 (2013: $565,380,000).

16. INVESTMENTS IN ASSOCIATED COMPANIES (continued)

Share of associated companies' contingent liabilities is as follows:

	Group	
	2014	2013
	$'000	$'000
Performance guarantee	**86,814**	13,891
Others	**5,607**	3,447

Summarised financial information for associated companies

Set out below are the summarised financial information for PCCW.

Summarised balance sheet

	PCCW As at 31 December	
	2014	2013
	$'000	$'000
Current assets	**3,648,536**	2,874,640
Includes:		
– Cash and cash equivalents	**1,354,790**	900,870
Current liabilities	**(3,243,787)**	(1,742,870)
Includes:		
– Financial liabilities (excluding trade and other payables)	**(1,001,552)**	(139,488)
Non-current assets	**8,809,292**	5,945,513
Non-current liabilities	**(7,104,334)**	(5,665,554)
Includes:		
– Financial liabilities (excluding trade and other payables)	**(6,481,775)**	(5,059,360)
– Other liabilities	**(622,559)**	(606,194)
Capital and reserves		
Attributable to:		
Equity holders of the associated company	**1,732,419**	1,502,323
Non-controlling interests	**377,288**	(90,594)
Net assets	**2,109,707**	1,411,729

16. INVESTMENTS IN ASSOCIATED COMPANIES (continued)

Summarised statement of comprehensive income

	PCCW For the year ended 31 December	
	2014	2013
	$'000	$'000
Revenue	**5,436,619**	4,405,684
Interest income	**14,704**	12,902
Expenses		
Includes:		
– Depreciation and amortisation	**(1,029,751)**	(737,211)
– Interest expense	**(231,665)**	(179,182)
Profit before income tax	**894,313**	526,579
Income tax expense	**(131,190)**	(33,869)
Total profit	**763,123**	492,710
Total profit attributable to:		
Equity holders of the associated company	**540,770**	304,013
Non-controlling interests	**222,353**	188,697
	763,123	492,710
Other comprehensive loss	**(295,872)**	(6,129)
Total comprehensive income	**467,251**	486,581
Total comprehensive income attributable to:		
Equity holders of the associated company	**284,599**	301,755
Non-controlling interests	**182,652**	184,826
	467,251	486,581
Dividends received from associated company	**55,648**	50,382

The information above reflects the amounts presented in the financial statements of the associated company (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated company.

16. INVESTMENTS IN ASSOCIATED COMPANIES (continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associated companies, is as follows:

	PCCW[#]	
	As at 31 December	
	2014	2013
	$'000	$'000
Net assets		
At 1 January	**1,502,323**	1,388,429
Profit for the year	**763,123**	492,710
Other comprehensive loss	**(295,872)**	(6,129)
Transactions with equity holders	**(131,675)**	(242,674)
Foreign exchange differences	**(105,480)**	(130,013)
At 31 December	**1,732,419**	1,502,323
Interest in associated company (21.8%) (2013: 21.3%)	**377,667**	319,995
Goodwill and foreign exchange differences	**267,178**	245,385
Carrying value of PCCW	**644,845**	565,380
Add:		
Carrying value of KSH	**24,242**	23,800
Carrying value of Group's interest in associated companies	**669,087**	589,180

Further details of associated companies are provided in Note 28.

[#] The information above reflects the amounts attributable to equity holders of the associated company.

17. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2014	2013
	$'000	$'000
Equity investments, at cost		
Beginning of financial year	**121,548**	91,397
Currency translation difference	**5,231**	3,331
Additions	**34,113**	26,820
Allowance for impairment	**(1,051)**	–
End of financial year	**159,841**	121,548

Details of the subsidiary companies are provided in Note 28.

In 2014, additions to subsidiary companies were through cash.

In 2013, additions to subsidiary companies were through the capitalisation of amounts due from subsidiary companies.

The Company recognised an impairment loss of $1,051,000 (2013: nil) against its investment in a subsidiary company in Hong Kong arising from losses incurred by the subsidiary company.

18. PROPERTY, PLANT AND EQUIPMENT

	Renovations, furniture, fittings and office equipment $'000	Motor vehicles $'000	Other plant, machinery and equipment $'000	Total $'000
Group				
2014				
Cost				
Beginning of financial year	**311**	**181**	**–**	**492**
Currency translation differences	**2**	**–**	**–**	**2**
Additions	**23**	**–**	**–**	**23**
Disposals	**(14)**	**–**	**–**	**(14)**
End of financial year	**322**	**181**	**–**	**503**
Accumulated depreciation				
Beginning of financial year	**227**	**181**	**–**	**408**
Currency translation differences	**2**	**–**	**–**	**2**
Depreciation charge	**45**	**–**	**–**	**45**
Disposals	**(14)**	**–**	**–**	**(14)**
End of financial year	**260**	**181**	**–**	**441**
Net book value				
End of financial year	**62**	**–**	**–**	**62**

18. PROPERTY, PLANT AND EQUIPMENT (continued)

	Renovations, furniture, fittings and office equipment $'000	Motor vehicles $'000	Other plant, machinery and equipment $'000	Total $'000
Group				
2013				
Cost				
Beginning of financial year	257	181	5	443
Currency translation differences	1	–	–	1
Additions	53	–	–	53
Disposals	–	–	(5)	(5)
End of financial year	311	181	–	492
Accumulated depreciation				
Beginning of financial year	191	181	2	374
Currency translation differences	1	–	–	1
Depreciation charge	35	–	1	36
Disposals	–	–	(3)	(3)
End of financial year	227	181	–	408
Net book value				
End of financial year	84	–	–	84

	Renovations, furniture, fittings and office equipment $'000
Company	
2014	
Cost	
Beginning of financial year	**28**
Currency translation differences	**1**
End of financial year	**29**
Accumulated depreciation	
Beginning of financial year	**28**
Currency translation differences	**1**
End of financial year	**29**
Net book value	
End of financial year	**–**

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Renovations, furniture, fittings and office equipment $'000
Company	
2013	
Cost	
Beginning of financial year	27
Currency translation differences	1
End of financial year	28
Accumulated depreciation	
Beginning of financial year	26
Currency translation differences	1
Depreciation charge	1
End of financial year	28
Net book value	
End of financial year	–

19. OTHER NON-CURRENT ASSETS

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Deposits	**93**	–	**–**	–
Prepayments	**119**	485	**–**	95
	212	485	**–**	95

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Other payables to				
– Non-related parties	**347**	346	**347**	346
– Subsidiary companies	**–**	–	**114,655**	74,331
– Intermediate holding company	**–**	304	**–**	304
– Other related parties	**124**	119	**–**	–
	471	769	**115,002**	74,981
Other accruals for operating expenses	**3,921**	3,552	**1,752**	2,114
	4,392	4,321	**116,754**	77,095
	4,392	4,321	**116,754**	77,095

Amounts due to subsidiary companies, intermediate holding company and other related parties (Note 29(a)) are non-trade in nature, unsecured, interest-free and repayable on demand.

21. BORROWINGS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Bank loans	**62,288**	–	**26,470**	–

The secured bank loans for both the Group and the Company are denominated in Hong Kong Dollars and United States Dollars. The loans are secured by PCCW shares (Note 16) and SSUs in HKT (Note 14) held by the Company. The secured bank loans are repayable in January 2015 and bear effective interest rates ranging from 1.83% to 1.91% (2013: Nil) per annum as at the end of the financial year.

Undrawn bank facilities

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Expiring within one year	**73,343**	27,339	**68,226**	27,339
Expiring beyond one year	**232,906**	170,068	**164,680**	65,411
	306,249	197,407	**232,906**	92,750

Those facilities expiring within one year from the balance sheet date are facilities subject to annual review at various dates during 2015. The longer term facilities are mainly for general corporate funding requirements of the Group.

22. DEFERRED INCOME TAX LIABILITIES

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities				
– to be settled after one year	**3,543**	1,905	**3,543**	1,905

The movements in the deferred income tax account are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**1,905**	7,319	**1,905**	7,319
Currency translation differences	**148**	188	**148**	188
Tax charge to income statement (Note 8(a))	**1,461**	1,261	**1,490**	1,261
Under/(over) provision in prior financial year (Note 8(a))	**29**	(6,863)	**–**	(6,863)
End of financial year	**3,543**	1,905	**3,543**	1,905

The Group's and Company's deferred tax liabilities have been measured based on the corporate tax rates and tax laws prevailing at the balance sheet date in the jurisdictions in which they operate.

A deferred income tax liability has been provided in respect of certain unremitted earnings of the Company. These earnings would be brought to tax by the tax authority when they are remitted into Singapore.

22. DEFERRED INCOME TAXES (continued)

At 31 December 2014, a subsidiary company has unutilised tax losses amounting to approximately $45,730,000 (2013: $45,730,000) available for set-off against taxable income in the future for which no deferred tax asset is recognised due to uncertainty as to its recoverability. The use of these tax losses is subject to agreement by the tax authority and in compliance with certain provisions of the tax legislation of the country in which the subsidiary company operates.

23. SHARE CAPITAL

	No. of ordinary shares			Amount		
	Issued share capital '000	Treasury shares '000	Company shares '000	Share capital $'000	Treasury shares $'000	Company shares $'000
<u>Group and Company</u>						
2014						
Beginning of financial year	**3,088,867**	**(41,764)**	**–**	**457,283**	**(9,276)**	**–**
Treasury shares purchased	**–**	**(136,339)**	**–**	**–**	**(35,448)**	**–**
Shares purchased	**–**	**–**	**(159,097)**	**–**	**–**	**(41,472)**
Treasury shares and shares cancelled	**(337,200)**	**178,103**	**159,097**	**–**	**44,724**	**41,472**
End of financial year	**2,751,667**	**–**	**–**	**457,283**	**–**	**–**
2013						
Beginning of financial year	3,096,269	–	–	457,283	–	–
Treasury shares purchased	–	(49,166)	–	–	(10,799)	–
Treasury shares cancelled	(7,402)	7,402	–	–	1,523	–
End of financial year	3,088,867	(41,764)	–	457,283	(9,276)	–

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The Company acquired 295,436,000 (2013: 49,166,000) shares in the Company from the open market during the financial year. The total amount paid to acquire the shares was $76,920,000 (2013: $10,799,000) and this was presented as a component within shareholders' equity.

The Company cancelled 337,200,000 (2013: 7,402,000) shares during the financial year.

24. OTHER RESERVES

Composition:

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Currency translation reserve	**79,975**	107,569	**(102,046)**	(148,407)
Equity share compensation reserve	**3,347**	1,167	**–**	–
Cash flow hedge reserve	**4,369**	3,469	**–**	–
Fair value reserve	**127,803**	70,010	**112,407**	54,819
Other reserve	**(3,958)**	(888)	**–**	–
	211,536	181,327	**10,361**	(93,588)

24. OTHER RESERVES (continued)

(a) Currency translation reserve

Movements of currency translation reserve arise mainly as a result of differences arising from the translation of the financial statements of companies in the Group whose functional currencies are different from that of the Group's presentation currency.

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Balance at 1 January	**107,569**	97,380	**(148,407)**	(180,492)
Net currency translation differences of financial statements of the Company, foreign subsidiary companies and associated companies	**26,492**	17,980	**46,361**	32,085
Reclassification to profit or loss on liquidation/dissolution of subsidiary companies	**886**	1,505	**–**	–
Share of currency translation reserve of associated companies	**(54,972)**	(9,296)	**–**	–
Balance at 31 December	**79,975**	107,569	**(102,046)**	(148,407)

(b) Equity share compensation reserve

Equity share compensation reserve represents the equity-settled share options granted to employees of an associated company (Note 2.17(c)).

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Balance at 1 January	**1,167**	3,604	**–**	–
Share of equity share compensation reserve of an associated company	**2,180**	(2,437)	**–**	–
Balance at 31 December	**3,347**	1,167	**–**	–

(c) Cash flow hedge reserve

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Balance at 1 January	**3,469**	3,190	**–**	–
Share of net gain on fair value changes of an associated company	**900**	279	**–**	–
Balance at 31 December	**4,369**	3,469	**–**	–

24. OTHER RESERVES (continued)

(d) Fair value reserve

Fair value reserve records the cumulative fair value changes in available-for-sale financial assets until they are derecognised or impaired.

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Balance at 1 January	**70,010**	61,475	**54,819**	53,177
Fair value gain on available-for-sale investments:				
– Net gain on fair value changes during the year	**59,299**	2,930	**57,588**	1,642
– Share of an associated company's net (loss)/gain on fair value changes	**(1,506)**	5,605	**–**	–
Balance at 31 December	**127,803**	70,010	**112,407**	54,819

(e) Other reserve

Other reserve records the increase in ownership interest in a subsidiary company of an associated company and dividend paid under the associated company's share award schemes.

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Balance at 1 January	**(888)**	(1,097)	**–**	–
Share of dividend paid under an associated company's share award schemes	**(25)**	209	**–**	–
Share of an associated company's transaction costs in relation to the issuance of SSUs	**(3,045)**	–	**–**	–
Balance at 31 December	**(3,958)**	(888)	**–**	–

25. OPERATING LEASE COMMITMENTS

As lessee

The Group leases certain office properties under operating lease arrangements. Leases of properties are negotiated for terms ranging from two to three years.

As at the balance sheet date, the Group has future minimum lease payments under operating leases, cancellable with a 3 month notice period, which are not recognised as liabilities, as follows:

	Group	
	2014	2013
	$'000	$'000
Payable within one year	**365**	109
Payable after one year but within five years	**624**	–
	989	109

26. SEGMENT INFORMATION

Management has determined operating segments based on reports reviewed by the chief operating decision makers to make strategic decisions. The chief operating decision makers consist of the Chairman and Group Managing Director.

The chief operating decision makers consider the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in three primary geographic areas: Singapore, Hong Kong and India. The segments in Singapore and Hong Kong are engaged in investment holding and business management and consultancy services. The segment in India was previously engaged in investment holding.

The chief operating decision makers assess the performance of these operating segments based on operating profit before interest income and depreciation.

Revenue is derived from dividend income and the provision of business management and consultancy services to related parties and associated companies.

The information provided to the chief operating decision makers with respect to total assets and total liabilities is measured in a manner consistent with that used in the financial statements.

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision makers monitor all assets other than cash and cash equivalents. All assets other than cash and cash equivalents are allocated to reportable segments.

Liabilities are allocated based on operations within the segment. All liabilities are allocated to reportable segments other than borrowings, current income tax liabilities and deferred income tax liabilities.

Geographical information:

	Group Revenue	
	2014	2013
	$'000	$'000
Singapore	**9,064**	7,679

	Group Non-current assets	
	2014	2013
	$'000	$'000
Singapore	**669,242**	589,359
Hong Kong	**119**	390
	669,361	589,749

26. SEGMENT INFORMATION (continued)

2014	Hong Kong Investment holding $'000	Hong Kong Business management and consultancy services $'000
External revenue	–	–
Inter-segment revenue	–	–
Total revenue	–	–
Operating (loss)/profit before interest income and depreciation	–	**(241)**
Interest income	–	–
Depreciation	–	–
(Loss)/profit from operating activities	–	**(241)**
Finance expenses		
Change in carrying values of associated companies:		
– Share of profits of associated companies, net of tax		
Net loss on liquidation/dissolution of subsidiary companies		
Profit before income tax		
Income tax expense		
Total profit		
Segment assets	**26,659**	**407**
Investments in associated companies	–	–
Unallocated corporate assets		
– Cash and cash equivalents		
Total assets		
Segment liabilities	–	**515**
Unallocated corporate liabilities		
– Borrowings		
– Current income tax liabilities		
– Deferred income tax liabilities		
Total liabilities		
Other segment information:		
Additions to property, plant and equipment	–	–

Singapore		India		
Investment holding $'000	Business management and consultancy services $'000	Investment holding $'000	Eliminations $'000	Consolidated $'000
8,928	136	–	–	9,064
–	1,567	–	(1,567)	–
8,928	1,703	–	(1,567)	9,064
6,748	(1,973)	–	–	4,534
29	–	–	–	29
–	(45)	–	–	(45)
6,777	(2,018)	–	–	4,518
				(2,247)
				117,009
				(886)
				118,394
				(1,496)
				116,898
234,050	422	–	–	261,538
644,845	24,242	–	–	669,087
				14,978
				945,603
2,694	1,183	–	–	4,392
				62,288
				6
				3,543
				70,229
–	23	–	–	23

26. SEGMENT INFORMATION (continued)

2013	Hong Kong Business management and consultancy services $'000
External revenue	–
Inter-segment revenue	–
Total revenue	–
Operating (loss)/profit before interest income and depreciation	(276)
Interest income	–
Depreciation	(1)
(Loss)/profit from operating activities	(277)
Finance expenses	
Change in carrying values of associated companies:	
– Share of profits of associated companies, net of tax	
Net loss on liquidation/dissolution of subsidiary companies	
Profit before income tax	
Income tax credit	
Total profit	
Segment assets	723
Investments in associated companies	–
Unallocated corporate assets	
– Cash and cash equivalents	
Total assets	
Segment liabilities	274
Unallocated corporate liabilities	
– Current income tax liabilities	
– Deferred income tax liabilities	
Total liabilities	
Other segment information:	
Additions to property, plant and equipment	–

	Singapore		India		
	Investment holding $'000	Business management and consultancy services $'000	Investment holding $'000	Eliminations $'000	Consolidated $'000
	7,661	18	–	–	7,679
	–	2,756	–	(2,756)	–
	7,661	2,774	–	(2,756)	7,679
	5,296	(3,149)	(178)	–	1,693
	36	–	877	–	913
	(1)	(33)	(1)	–	(36)
	5,331	(3,182)	698	–	2,570
					(1,906)
					65,085
					(2,130)
					63,619
					5,920
					69,539
	147,786	368	–	–	148,877
	565,252	23,928	–	–	589,180
					73,332
					811,389
	3,336	711	–	–	4,321
					13
					1,905
					6,239
	–	53	–	–	53

27. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group's associated company, PCCW, uses financial instruments such as currency forwards, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

(a) Market risk

(i) Currency risk

The Group operates in Asia with operations in Singapore, Hong Kong and India. Entities in the Group regularly transact in currencies other than their functional currencies ("foreign currencies") such as the Singapore Dollar ("SGD"), United States Dollar ("USD"), Hong Kong Dollar ("HKD") and Indian Rupee ("INR").

Currency risk arises when transactions are denominated in foreign currencies. Where material, the Group takes steps to manage currency risk.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. The Group monitors foreign currency exposures on an on-going basis.

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	HKD $'000	SGD $'000	USD $'000	Other $'000	Total $'000
At 31 December 2014					
Financial assets					
Cash and cash equivalents, financial assets, available-for-sale and financial assets, at fair value through profit or loss	232,546	4,704	38,328	1	275,579
Trade and other receivables	–	210	–	–	210
Other financial assets	–	106	–	–	106
Intercompany receivables	36,978	73,574	4,104	–	114,656
	269,524	78,594	42,432	1	390,551
Financial liabilities					
Other financial liabilities	(1,316)	(1,178)	(1,468)	(430)	(4,392)
Borrowings	(35,818)	–	(26,470)	–	(62,288)
Intercompany payables	(36,978)	(78,843)	(4,104)	–	(119,925)
	(74,112)	(80,021)	(32,042)	(430)	(186,605)
Net financial assets/(liabilities)	195,412	(1,427)	10,390	(429)	203,946
Less:					
Net financial assets denominated in the respective entities' functional currencies	(195,412)	(1,264)	(30,814)	–	
Net intercompany receivables denominated in the respective entities' functional currencies	–	(68,305)	(4,104)	–	
Currency exposure	–	(70,996)	(24,528)	(429)	

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	HKD $'000	SGD $'000	USD $'000	Other $'000	Total $'000
At 31 December 2013					
Financial assets					
Cash and cash equivalents, financial assets, available-for-sale and financial assets, at fair value through profit or loss	210,232	2,239	7,906	1	220,378
Trade and other receivables	41	204	–	–	245
Other financial assets	–	86	–	–	86
Intercompany receivables	1,536	72,795	–	–	74,331
	211,809	75,324	7,906	1	295,040
Financial liabilities					
Other financial liabilities	(1,365)	(1,718)	(1,029)	(209)	(4,321)
Intercompany payables	(1,960)	(78,062)	–	–	(80,022)
	(3,325)	(79,780)	(1,029)	(209)	(84,343)
Net financial assets/(liabilities)	208,484	(4,456)	6,877	(208)	210,697
Less:					
Net financial assets denominated in the respective entities' functional currencies	(208,908)	(2,114)	–	–	
Net intercompany payables/(receivables) denominated in the respective entities' functional currencies	424	(67,529)	–	–	
Currency exposure	–	(74,099)	6,877	(208)	

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	HKD $'000	SGD $'000	USD $'000	Total $'000
At 31 December 2014				
Financial assets				
Cash and cash equivalents, financial assets, available-for-sale, and financial assets, at fair value through profit or loss	**231,582**	**3,420**	**282**	**235,284**
Trade and other receivables	**–**	**5**	**–**	**5**
Other financial assets	**–**	**1**	**–**	**1**
	231,582	**3,426**	**282**	**235,290**
Financial liabilities				
Borrowings	**–**	**–**	**(26,470)**	**(26,470)**
Other financial liabilities	**(38,223)**	**(74,407)**	**(4,124)**	**(116,754)**
	(38,223)	**(74,407)**	**(30,594)**	**(143,224)**
Net financial assets/(liabilities)	**193,359**	**(70,981)**	**(30,312)**	
Currency exposure after deducting net financial assets denominated in the Company's functional currency	**–**	**(70,981)**	**(30,312)**	
At 31 December 2013				
Financial assets				
Cash and cash equivalents, financial assets, available-for-sale, and financial assets, at fair value through profit or loss	209,831	92	497	210,420
Trade and other receivables	4	27	–	31
Other financial assets	–	1	–	1
	209,835	120	497	210,452
Financial liabilities				
Other financial liabilities	(2,843)	(74,211)	(41)	(77,095)
	(2,843)	(74,211)	(41)	(77,095)
Net financial assets/(liabilities)	206,992	(74,091)	456	
Currency exposure after deducting net financial assets denominated in the Company's functional currency	–	(74,091)	456	

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the value of the SGD and USD change against the HKD by 6% (2013: 2%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	2014		2013	
	Increase/(Decrease)			
	Total profit $'000	**Other comprehensive income $'000**	Total profit $'000	Other comprehensive income $'000
Group				
USD against HKD				
– strengthened	**(1,375)**	**153**	(7)	121
– weakened	**1,375**	**(153)**	7	(121)
SGD against HKD				
– strengthened	**128**	**(3,664)**	(22)	(1,208)
– weakened	**(128)**	**3,664**	22	1,208
Company				
USD against HKD				
– strengthened	**(1,510)**	**–**	8	–
– weakened	**1,510**	**–**	(8)	–
SGD against HKD				
– strengthened	**(3,535)**	**–**	(1,230)	–
– weakened	**3,535**	**–**	1,230	–

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group which are classified in the consolidated balance sheet as fair value through profit or loss and available-for-sale.

These securities consist of listed equity securities in Singapore and Hong Kong, and unlisted equity securities in Cayman Islands.

The Group is not exposed to commodity price risk. To manage price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of its portfolio is done in accordance with the limits set by the Group.

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) *Price risk* (continued)

If prices for the listed equity securities in Singapore and Hong Kong, and unlisted equity securities in Cayman Islands change by 5% (2013: 5%) with all other variables including tax rate being held constant, the total profit and total equity will be as follows:

	2014		2013	
	Increase/(Decrease)			
	Total profit $'000	**Other comprehensive income $'000**	Total profit $'000	Other comprehensive income $'000
Group				
Listed equity securities in Singapore				
– increased by	**–**	**–**	1	–
– decreased by	**–**	**–**	(1)	–
Listed equity securities in Hong Kong				
– increased by	**–**	**9,410**	–	5,799
– decreased by	**–**	**(9,410)**	–	(5,799)
Unlisted equity securities in Cayman Islands				
– increased by	**–**	**1,404**	–	303
– decreased by	**–**	**(1,404)**	–	(303)
Company				
Listed equity securities in Singapore				
– increased by	**–**	**–**	1	–
– decreased by	**–**	**–**	(1)	–
Listed equity securities in Hong Kong				
– increased by	**–**	**9,410**	–	5,799
– decreased by	**–**	**(9,410)**	–	(5,799)

(iii) *Cash flow and fair value interest rate risks*

Cash flow interest rate risk is risk that the future cash flows from a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Company and the Group have insignificant exposure to cash flow interest rate risks.

27. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

For trade receivables, the Group adopts the policy of dealing only with external customers with appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk.

For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instrument presented on the balance sheet.

The Group's and Company's major classes of financial assets are bank deposits, trade and other receivables and available-for-sale financial assets.

The credit risk for trade and other receivables based on the information provided to key management is as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
By geographical areas				
Singapore	**210**	190	**5**	27
Hong Kong	**–**	12	**–**	4
Others	**–**	43	**–**	–
	210	245	**5**	31
By types of customers				
Non-related parties:				
– Other companies	**3**	11	**5**	4
	3	11	**5**	4
Intermediate holding company	**–**	30	**–**	–
Subsidiary companies	**–**	–	**–**	–
Other related parties	**133**	100	**–**	27
Others	**74**	104	**–**	–
	210	245	**5**	31

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

27. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired

The Group and the Company do not have any receivables that are past due but not impaired.

The carrying amount of trade and other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Gross amount	**60,399**	61,983	**623**	621
Less: Allowance for impairment	**(60,399)**	(61,983)	**(623)**	(621)
	–	–	**–**	–
Beginning of financial year	**61,983**	61,926	**621**	620
Currency translation differences	**2**	57	**2**	1
Allowance utilised	**(1,586)**	–	**–**	–
End of financial year	**60,399**	61,983	**623**	621

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year $'000
Group	
At 31 December 2014	
Trade and other payables	**4,392**
Borrowings	**62,288**
	66,680
At 31 December 2013	
Trade and other payables	4,321
Company	
At 31 December 2014	
Trade and other payables	**116,754**
Borrowings	**26,470**
	143,224
At 31 December 2013	
Trade and other payables	77,095

The Group and the Company manage liquidity risk by maintaining sufficient cash to meet normal operating commitments and by maintaining an adequate amount of committed credit facilities.

27. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors its capital based on total capital. Total capital is calculated as capital and reserves attributable to equity holders of the Company plus net debt. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Net debt	**51,702**	(69,011)	**134,701**	6,419
Capital and reserves attributable to equity holders of the Company	**875,374**	805,150	**1,143,250**	1,058,221
Total capital	**927,076**	736,139	**1,277,951**	1,064,640

There are no externally imposed capital requirements for the financial years ended 31 December 2013 and 31 December 2014.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified according to a fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

27. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements (continued)

(iii) inputs concerning the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2014				
Assets				
Financial assets, at fair value through profit or loss				
– Equity securities	**8**	**–**	**–**	**8**
Financial assets, available-for-sale				
– Equity investments	**226,753**	**7,182**	**26,658**	**260,593**
Total assets	**226,761**	**7,182**	**26,658**	**260,601**
2013				
Assets				
Financial assets, at fair value through profit or loss				
– Equity securities	17	–	–	17
Financial assets, available-for-sale				
– Equity investments	139,727	7,302	–	147,029
Total assets	139,744	7,302	–	147,046
Company				
2014				
Assets				
Financial assets, at fair value through profit or loss				
– Equity securities	**8**	**–**	**–**	**8**
Financial assets, available-for-sale				
– Equity investments	**226,753**	**–**	**–**	**226,753**
Total assets	**226,761**	**–**	**–**	**226,761**
2013				
Assets				
Financial assets, at fair value through profit or loss				
– Equity securities	17	–	–	17
Financial assets, available-for-sale				
– Equity investments	139,727	–	–	139,727
Total assets	139,744	–	–	139,744

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. These instruments are included in Level 1.

The fair values of available-for-sale financial assets held in funds based on values reflected in statements from fund managers are included in Level 2.

27. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements (continued)

The following table presents the changes in Level 3 instruments.

	2014	2013
	$'000	$'000
Available-for-sale financial assets		
Beginning of financial year	**–**	–
Purchases	**24,827**	–
Fair value gains recognised in other comprehensive income	**1,831**	–
End of financial year	**26,658**	–

The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 31 December 2014 $'000	Valuation Techniques	Unobservable Inputs	Range of Unobservable Inputs
Unquoted equity securities	26,658	Net asset value and/or discounted cash flow	Net asset value	Not applicable

The financial instruments categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in significant change to the fair value of the respective asset/liability.

The Group's finance team assessed the fair value of the available-for-sale investments on a quarterly basis.

The carrying values less impairment provision of trade and other receivables and trade and other payables are assumed to approximate their fair values. The fair values of current borrowings approximate their carrying amount.

(f) Financial instruments by category

The carrying amount of different categories of financial instruments is as disclosed on the face of the balance sheet and in Notes 11 and 14, respectively, to the financial statements, except for the following:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Loans and receivables	**15,294**	73,663	**8,529**	70,708
Financial liabilities at amortised cost	**(66,680)**	(4,321)	**(143,224)**	(77,095)

28. GROUP COMPANIES

Details of the subsidiary companies and associated companies are as follows:

Name of company (country of incorporation)	Principal activities (place of business)	Carrying amount of investment 2014 $'000	2013 $'000	Percentage of equity held by the Group 2014 %	2013 %
Subsidiary companies directly held by the Company					
[a] PCRD Services Pte Ltd (Singapore)	Investment holding, business management and consultancy services (Singapore)	**20,819**	19,960	**100**	100
[a] Surrey Investments Pte. Ltd. (Singapore)	Dormant	**–**	–	**100**	100
[a] Gladioli Investments Pte Ltd (Singapore)	Dormant	**98,797**	94,720	**100**	100
[e] Belmonto Pte Ltd (Singapore)	Liquidated	**–**	–	**–**	100
[a] Riyan Pte Ltd (Singapore)	Dormant	**–**	–	**100**	100
[e] Hutley Pte Ltd (Singapore)	Liquidated	**–**	–	**–**	100
[a] Elsmore Pte Ltd (Singapore)	Investment holding (Singapore)	**7,163**	6,868	**100**	100
[b] Pacific Century Regional Developments (HK) Limited (Hong Kong)	Business management and consultancy services (Hong Kong)	**33,062**	–	**100**	100
[c] Carander Corporation (British Virgin Islands)	Dormant	**–***	–*	**100**	100
[c] Telegraph Investments Limited (British Virgin Islands)	Dormant	**–**	–	**100**	100
[c] Valuable Enterprises Limited (British Virgin Islands)	Dormant	**–**	–	**100**	100
[c] Starvest Limited (Cayman Islands)	Dormant	**–**	–	**100**	100
[d] PCRD Investments Limited (Hong Kong)	Dormant	**–***	–*	**100**	100
		159,841	121,548		

28. GROUP COMPANIES (continued)

Name of company (country of incorporation)	Principal activities (place of business)	Carrying amount of investment 2014 $'000	Carrying amount of investment 2013 $'000	Percentage of equity held by the Group 2014 %	Percentage of equity held by the Group 2013 %
Associated company held by the Company					
[b] PCCW Limited (Hong Kong)	Provision of local and international telecommunications and information technology services, technology-related businesses, and investment holding (Hong Kong)	**894,785**	804,515	**21.8**	21.3
		894,785	804,515		
Subsidiary companies indirectly held by the Company					
[c] City Ventures Global Limited (Cayman Islands)	Investment holding (Cayman Islands)			**100**	–
[c] Prosper Global Investments Limited (Cayman Islands)	Investment holding (Cayman Islands)			**100**	–
Associated company indirectly held by the Company					
[f] KSH Distriparks Private Limited (India)	Provision of infrastructure and services for an Inland Container Depot, the development of warehousing and industrial parks and third party logistics and transportation solutions (India)			**49.9**	49.9

* Less than $1,000
[a] Audited by PricewaterhouseCoopers LLP, Singapore.
[b] Audited by PricewaterhouseCoopers Limited, Hong Kong.
[c] A corporation not requiring audit under the laws in its country of incorporation.
[d] Audited by Central & Co., Hong Kong
[e] Liquidated in 2014.
[f] Audited by BSR & Co. LLP., India.

29. RELATED PARTY TRANSACTIONS

(a) In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and its related parties during the year, on terms agreed between the respective parties:

	Group	
	2014	2013
	$'000	$'000
Management services rendered to:		
– associated companies	**3**	3
– other related parties*	**132**	15
Payments made on behalf of and reimbursable by other related parties*	**99**	110
Payments made on behalf by and reimbursable to		
– associated companies	**990**	745
– other related parties*	**–**	18

* The above other related parties comprise mainly of companies which are controlled or significantly influenced by the Group's key management personnel.

(b) Key management compensation

	Group	
	2014	2013
	$'000	$'000
Wages, salaries and other short-term employee benefits	**622**	639
Employer's contribution to defined contribution plans including Central Provident Fund	**16**	9
	638	648

Key management compensation is paid to an executive director of the Company.

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Group's accounting periods beginning on or after 1 January 2015. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Group in the period of their initial adoption.

31. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Pacific Century Regional Developments Limited on 20 March 2015.

Pacific Century Regional Developments Limited ("PCRD" or the "Company") is committed to upholding high standards of corporate governance in conformity with the Code of Corporate Governance 2012 ("Code") issued by the Singapore Exchange Securities Trading Limited ("SGX").

PCRD supports the principles underpinning best practice in corporate governance. The challenge, as PCRD sees it, is not simply to put the various elements of good corporate governance in place but also to ensure that these elements are effectively integrated, well understood, and appropriately applied. Importantly, also, an appropriate balance must be maintained between the conformance and performance roles of the Board and its Committees.

PCRD has always recognised that improving corporate governance is a continuous process and if implemented effectively, good corporate governance practices provide the integrated strategic framework necessary to achieve required performance outputs and outcomes, as well as discharging the Company's accountability obligations.

The Company has complied in all material respects with the principles of the Code. Deviations from the Code, if any, are explained under the appropriate headings below.

BOARD OF DIRECTORS

Principle 1: Board's Conduct of Affairs

The Board:

1. Acts as the ultimate decision-making body of the Company, except with respect to those matters reserved to shareholders. Directors take decisions objectively in the interests of the Company.

2. Represents shareholders' interests in developing the Company's businesses to successfully optimise long-term financial returns.

3. Reviews and evaluates management performance and ensures that Management is capably executing its responsibilities.

4. Acts as an advisor and counselor to senior management.

5. Identifies key stakeholder groups, sets the Company's values and standards, and recognises and ensures its legal, social and moral obligations towards shareholders and these stakeholders are understood and met.

Specifically, the Board is responsible for:

1. Providing entrepreneurial leadership, formulation of policies and strategies, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives and overseeing the management of the Company as a whole.

2. Reviewing and, where appropriate, approving of major funding, investment and divestment proposals.

3. Overseeing the processes for evaluating the adequacy and effectiveness of internal controls and risk management, including safeguarding of the Company's assets.

4. Approving the nominations of board directors.

5. Assuming responsibility for compliance with the Companies Act and the rules and requirements of regulatory bodies.

BOARD OF DIRECTORS (continued)

Matters that are specifically reserved to the full Board for decision are those involving material acquisitions and disposals of assets, corporate or financial restructuring, share issuances, share buy-backs and dividends. Specific Board approval is required for any investment or expenditure exceeding US$50 million (or its equivalent in any other currency) in total. To facilitate effective management, certain functions have been delegated by the Board to Board committees namely, the Executive Committee, the Audit Committee, the Nominating Committee and the Remuneration Committee.

The Board meets at least four times a year and as warranted by circumstances. The Company's Articles of Association allow a board meeting to be conducted by way of videoconference, teleconference and by other forms of electronic communication. Attendances of directors at meetings of the Board and Board committees in 2014 were as follows:

Name	Board		Audit		Nominating		Remuneration	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Richard Li Tzar Kai	5	5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Francis Yuen Tin Fan	5	4	n.a.	n.a	n.a.	n.a.	n.a.	n.a.
Peter A. Allen	5	5	n.a.	4*	n.a	1*	n.a	1*
Alexander Anthony Arena	5	5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Gordon Seow Li-Ming@	5	2	4	1	1	1	1	1
Tom Yee Lat Shing	5	5	4	4	1	1	1	1
Chng Hee Kok	5	5	4	4	1	1	1	1
Frances Wong Waikwun	5	5	4	4	1	1	1	1

n.a. Not applicable
* By invitation
@ Retired as a Director and member of the Audit, Nominating, Remuneration and Executive Committees with effect from 28 April 2014

New directors are briefed on the Group's business and corporate governance policies. Upon appointment of each new director, PCRD provides a formal letter to the director setting out the director's duties and obligations. Familiarisation visits are organised and funded, as necessary, to facilitate a better understanding of the Group's operations. Whilst there are no formal continuing training programmes for existing directors, briefing sessions and training, particularly on relevant new laws, regulations and changing commercial risks, are arranged when necessary.

BOARD OF DIRECTORS (continued)

Principle 2: Board Composition and Guidance

As at 31 December 2014:

- The Board comprised seven directors of whom two were executive directors, two were non-executive directors and three were independent non-executive directors.

- The executive directors were the Chairman of the Board, Mr. Richard Li Tzar Kai, and the Group Managing Director, Mr. Peter A. Allen. The two non-executive directors were Mr. Francis Yuen Tin Fan and Mr. Alexander Anthony Arena.

- The three independent non-executive directors were Mr. Tom Yee Lat Shing, Mr. Chng Hee Kok and Ms. Frances Wong Waikwun.

Mr. Gordon Seow Li-Ming retired as an independent non-executive director with effect from 28 April 2014. Mr. Francis Yuen Tin Fan, previously non-executive deputy Chairman of the Company was re-designated as independent non-executive deputy Chairman and Ms. Laura Deal Lacey was appointed as an independent non-executive Director with effect from 12 February 2015.

The Nominating Committee is responsible for reviewing at least annually the actual structure, size and composition of the Board (including the skills, knowledge, experience and degree of independence) compared to those required and makes recommendations to the Board with regard to any proposed changes.

In reviewing the degree of independence, the Nominating Committee adopts the Code's definition on what constitutes an independent director. The Board recognises the contribution of its independent directors who over time have developed a deep insight into the Company's businesses and who are therefore able to provide valuable contributions to the Company. In view of this invaluable insight and the appropriate fit of the present Board members to the current businesses of the Company, the Board has not set a limit on the term of office for each of its independent directors so as to be able to retain the services of these directors.

The independence of any director who has served on the Board beyond nine years from the date of his/her first appointment is subject to particularly rigorous review. Mr. Tom Yee Lat Shing and Mr. Chng Hee Kok have served on the Board for more than nine years and as a result, the Board has reviewed the extent to which each of them remains independent. Following this review, the Board is satisfied that, despite each of their respective lengths of tenure, Mr. Yee and Mr. Chng are able to discharge their duties with professionalism and objectivity; and exercise independent judgement and act in the best interests of the Company; and that therefore they remain independent.

The profiles of directors are set out on pages 4 to 5 of this Annual Report.

Members of the Board of Directors are drawn from a range of professional disciplines and all directors have prior relevant practical experience. The Board communicates with each member regularly through the Company Secretary to ensure that alternative views are obtained before embarking on transactions, as well as to ensure that there is an adequate flow of information.

The Board considers its current Board structure, size and composition appropriate for the Group's present scope and nature of operations. The Board has the right mix of skill, experience and gender providing the Company with the needed management, financial, business and industry knowledge. Non-executive directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

BOARD OF DIRECTORS (continued)

Principle 3: Chairman and Group Managing Director

The Chairman, Mr. Richard Li Tzar Kai, is an executive director and his role is separate from that of Mr. Peter A. Allen, the Group Managing Director. This is to ensure an appropriate balance of authority, increased accountability and greater capacity of the Board for independent decision making. The Chairman is assisted by an Executive Committee comprising himself and Mr. Peter A. Allen. The Group Managing Director is responsible for the workings of the Board as well as to ensure conformity by Management with corporate governance policies laid down by the Board. The Chairman ensures that board meetings are held when necessary and sets the board meeting agenda in consultation with the Group Managing Director. The Chairman also:

1. Leads the Board to ensure its effectiveness in all aspects of its role;

2. Sets the agenda and ensures that adequate time is available for discussion of all agenda items, including strategic issues;

3. Promotes a culture of openness and debate at the Board;

4. Ensures that directors receive complete, accurate, timely and clear information;

5. Ensures effective communication with shareholders;

6. Encourages constructive relations within the Board and between the Board and Management;

7. Facilitates the effective contribution of non-executive directors;

8. Encourages constructive relations between executive directors and non-executive directors; and

9. Promotes high standards of corporate governance.

The Company's Lead Independent Director ("LID") is Mr. Tom Yee Lat Shing. The LID is available to shareholders in cases where they have concerns which contact through the normal channels of the Chairman or the Group Managing Director has failed to resolve or is inappropriate. The LID and other independent directors meet when necessary without the presence of the other directors, and the LID provides feedback to the Chairman and Group Managing Director after such meetings.

Principle 6: Access to Information

In order to ensure that the Board is able to fulfill its responsibilities, Board members have full co-operation from Management and access to company records and information on an on-going basis. In furtherance of the same, each director is provided with the contact numbers and e-mail addresses of all other PCRD directors, senior management and the Company Secretary.

Board papers, including sufficient background information, are circulated to Board members prior to meetings by the Company Secretary. Minutes of all Board and Board committee meetings are also circulated to Board members.

The Board has separate and independent access to the Company Secretary and senior management of the Company as and when the need arises.

BOARD OF DIRECTORS (continued)

Should directors, whether as a group or individually, need independent professional advice in relation to the conduct of his or their duties, the Company Secretary will, upon direction by the Board, appoint a professional advisor selected by the individual or individuals concerned and approved by the executive directors to render advice. The cost of such professional advice is borne by the Company.

The Company Secretary or his assistant attends all Board meetings and is responsible for ensuring that Board procedures are followed. It is the Company Secretary's responsibility to ensure that the Company complies with the requirements of the Companies Act and all other rules and regulations which are applicable to the Company and that Board members are fully briefed on these and have regard to them when taking decisions. The Company Secretary's responsibilities also include ensuring good information flows within the Board and its Board committees and between senior management and non-executive directors, as well as facilitating orientation and assisting with professional development as required.

The appointment and the removal of the Company Secretary is a matter for the Board as a whole.

BOARD COMMITTEES

Board committees do not have direct oversight over the affairs of PCCW Limited ("PCCW") as this company is listed in Hong Kong. The Board and Board committees of the Company rely on the board and board committees of PCCW to oversee their own operations.

NOMINATING COMMITTEE

Principle 4: Board Membership

The Nominating Committee was formed on 5 December 2002.

As at 31 December 2014, the Nominating Committee comprised three independent directors namely, Ms. Frances Wong Waikwun (Chairwoman), Mr. Tom Yee Lat Shing and Mr. Chng Hee Kok.

The duties and responsibilities of the Nominating Committee are as follows:

1. To assess the skills represented on the Board by directors and determine whether those skills meet the required standard to competently discharge the Board's duties, having regard to the strategic direction of the Company and to make recommendations to the Board on candidates it considers appropriate for appointment or re-appointment.

2. To implement a process for identification of suitable candidates for appointment to the Board and assess the independence of appointees in accordance with the guidelines contained in the Code.

3. To evaluate and assess the effectiveness of the Board as a whole by establishing a process for conducting reviews of all Board members by such means as it considers appropriate.

New directors and retiring directors seeking re-election are recommended to the Board, after the Nominating Committee has agreed to their nomination. Article 104 of the Company's Articles of Association provides that one-third of the Board of Directors is to retire from office by rotation and is subject to re-election at the Company's Annual General Meeting ("AGM") and every director is to submit himself for re-election at least once every 3 years. In addition, Article 108 of the Company's Articles of Association provides that a newly appointed director must retire and submit himself for re-election at the next AGM following his appointment.

NOMINATING COMMITTEE (continued)

For the financial year ended 31 December 2014, the date of appointment and last re-election of each director, together with their directorships or chairmanships both present and those held in the preceding three years in other listed companies, are set out below:

Name of Director	Appointment	Date of initial appointment	Date of last re-election/ re-appointment	Directorships or chairmanships both present and those held over the preceding three years in other listed companies
Richard Li Tzar Kai	Executive	08.09.94	26.04.13	Present – PCCW Limited – HKT Limited – Pacific Century Premium Developments Limited – The Bank of East Asia, Limited
Francis Yuen Tin Fan*	Non-Executive	15.03.05	26.04.13	Present – China Foods Limited – Agricultural Bank of China Limited Past 3 years – China Pacific Insurance (Group) Co., Ltd.
Peter A. Allen	Executive	01.11.97	28.04.14	Present – HKT Limited Past 3 years – PCCW Limited
Alexander Anthony Arena	Non-Executive	05.11.99	28.04.14	Present – HKT Limited Past 3 years – PCCW Limited – Pacific Century Premium Developments Limited
Tom Yee Lat Shing	Non-Executive/ Independent	19.04.91	28.04.14	Present – Bonvests Holdings Limited – Powermatic Data Systems Limited – Cosco Corporation (Singapore) Limited
Gordon Seow Li-Ming@	Non-Executive/ Independent	08.09.94	26.04.13	None
Chng Hee Kok	Non-Executive/ Independent	21.10.88	26.04.13	Present – Full Apex (Holdings) Limited – Chinasing Investment Holdings Limited – Luxking Group Holdings Limited – LH Group Limited – Samudera Shipping Line Ltd – China Flexible Packaging Holdings Limited Past 3 years – HG Metal Manufacturing Limited – CHT (Holdings) Ltd – People's Food Holdings Limited – Hartawan Holdings Limited – Sunray Holdings Limited – EL Corporation Limited
Frances Wong Waikwun	Non-Executive/ Independent	01.06.13	28.04.14	Present – PCCW Limited

* Re-designated as an independent non-executive deputy Chairman with effect from 12 February 2015

@ Retired as a Director and member of the Audit, Nominating, Remuneration and Executive Committees with effect from 28 April 2014

Key information regarding directors, including academic and professional qualifications, is set out on pages 4 to 5 of this Annual Report.

NOMINATING COMMITTEE (continued)

The process for selection and appointment of new directors to the Board is carried out as and when necessary by the Nominating Committee. The Nominating Committee initiates and executes a process to search for and identify suitable candidates for nomination to the Board for appointment. In selecting potential new directors, the Nominating Committee seeks to identify the range of expertise and competencies such as broad commercial experience in fund management, property and financial services industries and in the legal field, as well as appropriate financial qualifications and skills required to enable the Board to fulfill its responsibilities. The need to maximise the effectiveness of the Board is taken into consideration. In so doing, the Nominating Committee has regard to the results of an annual appraisal of the Board's performance. The Nominating Committee may engage recruitment consultants to undertake research on or assess candidates for new positions on the Board, or to engage such other independent experts as the Committee considers necessary to assist it in carrying out its duties and responsibilities. The Nominating Committee, having considered the composition of the Board in relation to the needs of the Company and its businesses, prepares a shortlist of candidates with the appropriate profile for nomination.

Principle 5: Board Performance

The Nominating Committee evaluated the Board's performance as a whole and assessed the effectiveness of the Board committees for 2014 based on performance criteria which included an evaluation of the size and composition of the Board, the Board's access to information, Board performance in relation to discharging its principal functions, fiduciary duties and communication with senior management. These performance criteria included certain financial indicators as a guide to directors such as the company's share price performance over a five-year period compared to the Singapore Straits Times Index and its industry peers, return on assets, return on equity and return on investment as well as other measures of the Board's performance such as the accretion in value of its major investments. PCCW, which comprises the bulk of the inherent value of PCRD, is managed on a day-to-day basis by a separate board and professional management team.

In the assessment of the contribution of each individual director to the effectiveness of the Board and Board committees, the Nominating Committee takes into consideration their respective preparedness, commitment, participation, attendance at Board and Board committee meetings and whether they have the essential skills to competently discharge the Board's duties. As part of the review process, directors must demonstrate they are able to give sufficient time and attention to the affairs of PCRD, particularly when a director holds multiple board appointments or other commitments. The Board has determined that the maximum number of listed company board representations which any director may hold is seven. This number will be reviewed in future years and will take into account any changes in the nature and activities of the Company.

Each Director is required to individually complete a Director Evaluation Form to facilitate the deliberations of the Nominating Committee in its assessment of the Board. The form is designed to assess the director's performance of his responsibilities and commitment to the Company's affairs, his understanding of the Company's strategies and operations, business developments, corporate goals and objectives of the Company, his contribution to the development of the Company's strategies and policies and to identify areas for improvement.

The Nominating Committee collates and reviews the feedback from the evaluations and recommends steps for improvement to the Board. The Chairman takes careful note of the results of the performance evaluations by the Nominating Committee and, where appropriate, may propose new members to be appointed to the Board and Board committees or seek the resignation of directors, in consultation with the Nominating Committee.

AUDIT COMMITTEE

Principle 12: Audit Committee

The Audit Committee was formed on 19 April 1991. As at 31 December 2014, the Audit Committee comprised three independent non-executive directors namely, Mr. Tom Yee Lat Shing (Chairman), Mr. Chng Hee Kok and Ms. Frances Wong Waikwun. The Board is satisfied that members of the Audit Committee are appropriately qualified to discharge their responsibilities.

The Audit Committee performs the following main functions:

1. Reviews the independence of external auditors and recommends to the Board of Directors whether the external auditors be re-appointed.

2. Reviews with management, upon finalisation and prior to publication, the financial results for each quarter, half-year and full year.

3. Reviews interested person transactions and the adequacy of PCRD's internal control procedures in relation to interested person transactions.

4. Reviews compliance with accounting standards, all relevant laws, the Listing Rules of the SGX and the Code.

5. Reviews any changes during the year in accounting principles or their application.

6. Reviews significant adjustments proposed and any recommendations on internal accounting controls arising from the statutory audit by the external auditors.

7. Reviews the audit plans of the external auditors of the Company and ensures the adequacy of the system of accounting controls and the co-operation given by management.

8. Reviews with PCRD's management the adequacy of the Company's internal controls in respect of management and business practices and reviews with management and external auditors significant accounting and auditing issues.

9. Reports to the Board or relevant authorities any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any relevant Singapore laws or other regulations, which has or is likely to have a material impact on PCRD's operating results.

10. Reviews the balance sheet of the Company and the consolidated financial statements of the Group for the financial year end before submission to the Board of Directors, as well as the independent auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group.

In the performance of its functions, the Audit Committee is empowered to investigate any activity of PCRD. All employees are required to cooperate as requested by members of the Audit Committee.

The Audit Committee reviews arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in financial reporting or other matters and ensures arrangements are made for an independent investigation of such matters and appropriate follow up action.

The Audit Committee meets at least four times a year. The Audit Committee may invite any executive of the Company to attend meetings, as they consider appropriate. The Audit Committee meets with the external auditors, without the presence of the Company's management, at least once a year.

AUDIT COMMITTEE (continued)

PricewaterhouseCoopers LLP ("PricewaterhouseCoopers") reviews, in the course of its statutory audit, the effectiveness of the Company's material internal controls, focusing primarily on financial controls, with the aim of designing audit procedures that are appropriate to the Company's circumstances. Any material non-compliance noted during this review is reported to the Audit Committee together with the auditor's recommendations and management's comments.

For the financial statements under review, the Audit Committee has reviewed the scope and results of the audit, and the independence and objectivity of the external auditor and confirms that PricewaterhouseCoopers are independent chartered accountants with respect to the Company within the meaning of Section 10 of the Singapore Companies Act.

The Audit Committee has reviewed all non-audit services provided by its auditor, PricewaterhouseCoopers. The Audit Committee is of the opinion that the non-audit services provided by PricewaterhouseCoopers do not affect its independence as auditor.

Fees paid for audit and non-audit services:

	2014 $'000	2013 $'000
Fees for audit services paid/payable to:		
– Auditor of the Company	**224**	186
– Other auditors*	**–**	–
Fees for non-audit services paid/payable to:		
– Auditor of the Company	**–**	–
– Other auditors*	**–**	–
Total	**224**	186

* Includes the network of member firms of PricewaterhouseCoopers International Limited

The Audit Committee is satisfied that Rules 712 and 715 or 716 of the SGX Listing Manual have been complied with and has recommended to the Board that PricewaterhouseCoopers be nominated for re-appointment as auditor at the next AGM.

In carrying out its duties, the Audit Committee is guided by the Committee's terms of reference and the Guidebook for Audit Committees in Singapore. The Audit Committee takes steps to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements such as attending briefing updates on recent developments in accounting and governance standards, where necessary.

AUDIT COMMITTEE (continued)

Principle 11: Risk Management and Internal Controls

Risk awareness and ownership of risk management are continuously fostered across the organisation. The Audit Committee has reviewed the Group's risk assessment systems and, based on the management controls in place throughout the Group, the Board is satisfied that there are adequate and effective internal controls, including material financial, operational, compliance and information technology controls, and risk management systems in the Group. The Group's activities expose it to market risk (including currency, interest rate and price risks), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise the adverse effects of unpredictability in financial markets on the Group's financial performance. The Group's financial risk management strategy is discussed in detail in Note 27 to the financial statements. The Group is geographically diverse with earnings from the Asia-Pacific region including India. The Group's operations are subject to extensive government regulations which may impact or limit its flexibility to respond to market conditions and competition. Governments may alter their policies relating to certain industries as well as the regulatory environment in which the Group operates including taxation. The Group's overseas investments are also subject to risk of imposition of laws restricting the level and manner of ownership and investment. The Group has access to appropriate advisors with regulatory expertise and resources who advise on risk mitigation measures. The Group also works closely with management and partners in countries in which the Group operates and leverages on local expertise, knowledge and ability to ensure compliance. The directors of PCCW, PCRD's major investment, review the effectiveness of its internal controls, including material financial, operational, information technology and compliance controls, risk management functions for the PCCW group and, in particular, the adequacy of resources, staff qualifications and experience, training programs and budget of PCCW's accounting and financial reporting functions. At PCCW, appropriate policies and control procedures have been designed and established to ensure that: assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the performance of the group are appropriately identified and managed.

For FY2014, the Group Managing Director/Chief Financial Officer provided written confirmation to the Board that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and that the Company's risk management, compliance and internal control systems are adequate and effective in addressing material financial, operational, information technology and compliance risks. This certification covers the Company and subsidiaries which are under the Company's management control. In line with the SGX-ST listing rules, the Board provides a negative assurance statement to shareholders in respect of the interim financial statements, which is supported by a negative assurance statement from the Group Managing Director/Chief Financial Officer, and which is in turn supported by a negative assurance confirmation from the various key business and operating/functional heads within the Group that nothing has come to their attention that would render the quarterly financial results to be false or misleading.

The Board, with the concurrence of the Audit Committee, is of the opinion, based on the work of external auditors, the findings of internal auditors and reviews performed by Management, that the Group's internal controls addressing financial, operational, information technology and compliance risks, which the Group considers relevant and material to its operations, are adequate and effective in meeting the requirements of the Group as at 31 December 2014. Internal control systems established and maintained by the Group provide reasonable, but not absolute, assurance against material financial misstatements or loss. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

AUDIT COMMITTEE (continued)

Principle 13: Internal Audit

The Audit Committee has the mandate to authorise special reviews or investigations, where appropriate, in discharging its responsibilities. Periodic visits by finance staff are made to review the operations and internal controls of subsidiaries and to report back to the Audit Committee. In addition, external firms of internal auditors are engaged to conduct internal audits on the Group's associated companies in India. The Group's listed associated company, PCCW, has its own Group Internal Audit function which conducts selective reviews on the effectiveness of its system of internal controls over financial, operational, compliance controls and risk management functions with emphasis on information technology, data privacy, systems contingency planning and procurement. Additionally, PCCW's heads of major business and corporate functions are required to undertake a control self-assessment of their key controls and the results are assessed by Group Internal Audit. This internal audit work is carried out in compliance with the requirements of the Standards for the Professional Practice of Internal Auditing pronounced by The Institute of Internal Auditors.

The results of internal audit activities are communicated to the Audit Committee and key members of executive and senior management of PCCW. Audit issues are tracked and followed up on to ensure proper implementation, and progress is reported to senior management and the Audit Committee periodically.

WHISTLE-BLOWING

The Company has in place a whistle-blowing policy and arrangements by which staff and agents working for the Company may raise concerns in good faith and in confidence about possible corporate improprieties in financial reporting, unlawful conduct or other matters.

The policy aims to encourage employees to feel confident in raising serious concerns and to question and act upon their concerns. It provides avenues within the Company, including a direct channel to the Chairman of the Audit Committee, to raise concerns and safeguards and assures protection to employees from reprisals or victimisation. The policy also ensures employees get a response to their concerns and feedback on any action taken.

To ensure such matters are independently investigated and appropriately followed up, any whistle-blowing report must be recorded and investigated. An annual status report on any whistle-blowing reports must be sent to the Audit Committee. Whistle-blowing records must be made available for inspection by the Audit Committee.

Details of the whistle-blowing policy and arrangements are given to all staff for their easy reference.

REMUNERATION COMMITTEE

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

The Remuneration Committee was formed on 5 December 2002.

As at 31 December 2014, the Remuneration Committee comprised entirely of independent non-executive directors, namely Mr. Chng Hee Kok (Chairman), Mr. Tom Yee Lat Shing and Ms. Frances Wong Waikwun. The Remuneration Committee has access to expert advice, both inside and outside the Company, when required. In the event of such advice being sought, the Remuneration Committee ensures that existing relationships, if any, between the Company and its appointed experts or consultants will not affect their independence and objectivity. The Company has not appointed any experts or consultants in FY2014.

The Remuneration Committee's principal responsibilities are as follows:

1. Recommends to the Board a framework of remuneration for the Board which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind. The Remuneration Committee also reviews the remuneration of senior management.

2. Reviews the on-going appropriateness and relevance of the directors' remuneration policy.

3. Reviews and approves the design of all equity-based plans.

4. Oversees the implementation of remuneration policies within PCRD and ensures that no director participates in decisions on his/her own remuneration.

Executive directors and non-independent non-executive directors do not receive directors' fees. Each member of the Remuneration Committee abstains from voting on any resolutions in respect of his remuneration package.

For confidentiality and competitive reasons, the Company discloses remuneration bands as follows:

Directors' Remuneration

For financial years ended 31 December 2014 and 31 December 2013, the number of directors in each remuneration band was as follows:

	2014	2013
$500,000 to $749,999	**1**	1
$250,000 to $499,999	**–**	–
Below $250,000	**7**	7
Total	**8**	8

The above table includes all directors who held office during 2013 and 2014.

REMUNERATION COMMITTEE (continued)

Independent non-executive directors are paid a basic fee and additional fees for attendance at meetings. The Board recommends the payment of such fees for approval by shareholders as a single sum at the AGM of the Company.

For financial years ended 31 December 2014 and 31 December 2013, the number of non-executive directors in remuneration bands of $10,000 is as follows:

	2014	2013
$50,000 to $59,999	**1**	3
$40,000 to $49,999	**4**	1
Below $10,000	**1**	2
Total	**6**	6

PCRD is an investment holding company and its main asset is its Hong Kong-listed associated company, PCCW. The primary executive functions in PCRD itself are performed by executive directors who undertake responsibility for the day-to-day operations of both the Company and the Group. The details of directors' remuneration are disclosed above. Remuneration for executive directors and key management personnel is established in accordance with a remuneration framework comprising basic salary and variable bonuses and benefits-in-kind. Remuneration packages are comparable within the industry and with comparable companies and include a performance-related element coupled with appropriate measures for appraising individual's performance.

The Board is of the view that, for competitive reasons and to preserve confidentiality, it is in the best interests of the Company and the Group not to disclose the detailed breakdown of the various remuneration components on a named basis (in percentage and dollar terms) and the aggregate of the total remuneration for each of the directors, Group Managing Director and key management personnel. Where such precise information is disclosed publicly, this can be detrimental to the Company's interests as it would allow competitors to gain an unfair advantage when seeking to entice either existing Directors and/or management personnel (including key management personnel) from the Company or, as the case may be, where the Company is in competition with others to employ senior executives within the same industry. The Company has a limited number of staff. There is only one key management personnel who is not also a director who has the authority and responsibility for planning, directing and controlling the activities of the Company. This is the Vice President Finance and Company Secretary of the Company. The disclosure of the remuneration of other executives is considered not relevant.

For financial years ended 31 December 2014 and 31 December 2013, the number of key management personnel in each remuneration band is as follows:

	2014	2013
Below $250,000	**1**	1
Total	**1**	1

There was no employee in the Group who is an immediate family member of a Director (including the Group Managing Director) during the year.

Currently, the Company does not have a share option scheme in place for its directors and employees. The Company does not presently use contractual provisions to clawback incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

No termination, retirement or post-employment benefits were granted to directors, the Group Managing Director or the key management personnel of the Company during FY2014.

COMMUNICATIONS WITH SHAREHOLDERS

Principle 10: Accountability

Principle 14: Shareholders Rights and Responsibilities

Principle 15: Communications with Shareholders

Principle 16: Conduct of Shareholder Meetings

The Company does not practise selective disclosure. Price sensitive announcements, including financial results and relevant announcements from PCCW, which is listed on The Stock Exchange of Hong Kong Limited, are released through SGXNET.

In its communications on the Company's performance, it is the Board's aim to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects on a quarterly basis using timely information provided by management and reviewed by the Board.

In relation to communications with shareholders at general meetings of the Company, shareholders are informed of shareholders' meetings through published notices and announcements or circulars sent to all shareholders. Notices of meetings and related explanatory information are drafted to provide all information that is relevant to shareholders on matters to be voted upon at shareholders' general meetings. It is the objective of the Company to ensure that such information is presented clearly and concisely so that it is unambiguous and easy to understand.

At general meetings, shareholders are encouraged to participate and are given reasonable opportunity to ask the Board of Directors questions regarding the Company and its subsidiaries and to participate in the meeting itself. The Articles of Association of the Company further allow a member of the Company to appoint one or two proxies to attend and vote instead of the member.

The Chairmen of the Audit, Nomination and Remuneration Committees are normally present to address questions at general meetings. In particular, the external auditor of the Company is present at the AGM of the Company to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

All resolutions are put to the vote by poll. The detailed results of voting at general meetings showing the number of votes cast for and against each resolution and the respective percentages are presented to shareholders after the voting process and are thereafter published on the SGX website.

As and where appropriate, the Company will conduct investor briefings to solicit and understand the views of shareholders.

No dividends were declared or paid for FY2014. The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on factors such as the Company's earnings and results, cash flow and capital requirements, general business conditions, investment activities and development plans. The Board continues to evaluate investment opportunities and new businesses for the Company. The Company is focused on preserving shareholder value and is careful and conservative at looking at new opportunities. The Company announces any developments as they occur.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has adopted an internal policy in respect of any transactions with interested persons and has established procedures for review and approval of the Company's IPTs. The Audit Committee reviews all such transactions to confirm that the guidelines and procedures established to monitor IPTs have been complied with.

The Group obtained a general mandate from shareholders of the Company for IPTs at an extraordinary general meeting following the AGM held on 28 April 2014. This general mandate remains in force until the forthcoming AGM and will be proposed for renewal at an extraordinary general meeting to be held on the same day. In 2014, the following IPTs were entered into by the Group:

Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
None	None, all IPTs below $100,000

DEALINGS IN SECURITIES

The Group has in place an internal code which provides guidance to directors and certain employees in relation to dealings in the Company's shares. Directors and certain employees of the Group who have access to price-sensitive and confidential information are not permitted to deal in the Company's shares when they are in possession of unpublished price-sensitive information on the Group or during periods commencing fourteen days before the date of announcement of the Group's quarterly financial results or one month before the date of announcement of the Group's full year financial results and ending on the date of announcement of such results. In the event that the date of announcement of the financial results of PCCW should fall more than seven days before the date of announcement of the Group's financial results for that financial period, all directors and certain employees of the Group are not permitted to deal in the Company's shares during the period commencing seven days before the announcement of PCCW's financial results and ending on the date of announcement of the Group's results. The code also requires officers of the Company not to deal in securities of the Company on short-term considerations.

MATERIAL CONTRACTS

In the financial year, no material contracts were entered into by the Company or its subsidiaries which involved the interests of any Director or controlling shareholder.

ISSUED AND FULLY PAID-UP

S$457,282,365.61 divided into 2,739,309,900 ordinary shares.

Class of Shares – Ordinary share
Voting Rights – One vote per share
Treasury Shares – Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings		No. of Shareholders	%	No. of Shares	%
1	– 99	31	0.60	715	0.00
100	– 1,000	244	4.68	230,030	0.01
1,001	– 10,000	2,780	53.36	18,232,394	0.67
10,001	– 1,000,000	2,116	40.61	131,573,199	4.80
1,000,001 and above		39	0.75	2,589,273,562	94.52
Total		**5,210**	**100.00**	**2,739,309,900**	**100.00**

Approximately 13.1% of the issued ordinary shares are held by the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.

Shareholding Statistics

As at 11 March 2015

SUBSTANTIAL SHAREHOLDERS

(including deemed interest as recorded in the Register of Substantial Shareholders as at 11 March 2015)

Substantial Shareholder	Direct Interest No. of issued shares	Deemed Interest No. of issued shares
Jenny W.L. Fung[1]	–	2,347,042,230
Lester Huang[1]	–	2,347,042,230
OS Holdings Limited[1]	–	2,347,042,230
Ocean Star Management Limited[1]	–	2,347,042,230
The Ocean Trust[1]	–	2,347,042,230
The Ocean Unit Trust[1]	–	2,347,042,230
The Starlite Trust[1]	–	2,347,042,230
The Starlite Unit Trust[1]	–	2,347,042,230
Pacific Century Group Holdings Limited[2]	200,000	2,346,842,230
Pacific Century International Limited[3]	–	2,330,058,230
Pacific Century Group (Cayman Islands) Limited[4]	1,160,991,050	1,169,067,180
Anglang Investments Limited	1,169,067,180	–

Notes:

(1) In April 2004, Mr Richard Li Tzar Kai transferred his entire beneficial interest in Pacific Century Group Holdings Limited to Ocean Star Management Limited as trustee holding for and on behalf of The Ocean Unit Trust and The Starlite Unit Trust. All the issued units of each of The Ocean Unit Trust and The Starlite Unit Trust are held by Star Ocean Ultimate Limited as trustee for and on behalf of The Ocean Trust and The Starlite Trust respectively. Ocean Star Management Limited is the wholly-owned subsidiary of OS Holdings Limited. Ms Jenny W.L. Fung and Mr Lester Huang each holds more than 20% of the shares of OS Holdings Limited. Each of The Ocean Trust, The Starlite Trust, The Ocean Unit Trust, The Starlite Unit Trust, Ms Jenny W.L. Fung, Mr Lester Huang, OS Holdings Limited and Ocean Star Management Limited is deemed to have an interest in 2,347,042,230 shares in the Company through Pacific Century Group Holdings Limited (see Note 2).

(2) Pacific Century Group Holdings Limited has a direct interest in 200,000 shares in the Company. Pacific Century Group Holdings Limited is also deemed to be interested in (i) the 16,784,000 shares held by its wholly-owned subsidiary, Borsington Limited (ii) the 1,169,067,180 shares held by Anglang Investments Limited and (iii) the 1,160,991,050 shares held by Pacific Century Group (Cayman Islands) Limited.

(3) Pacific Century International Limited is deemed to be interested in (i) the 1,169,067,180 shares held by Anglang Investments Limited and (ii) the 1,160,991,050 shares held by Pacific Century Group (Cayman Islands) Limited.

(4) Pacific Century Group (Cayman Islands) Limited is deemed to be interested in the 1,169,067,180 shares held by Anglang Investments Limited.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Raffles Nominees (Pte) Limited	2,364,791,445	86.33
2	DBS Vickers Securities (Singapore) Pte Ltd	47,702,000	1.74
3	BNP Paribas Nominees Singapore Pte Ltd	18,804,000	0.69
4	DB Nominees (Singapore) Pte Ltd	17,165,591	0.63
5	Citibank Nominees Singapore Pte Ltd	16,939,034	0.62
6	DBS Nominees (Private) Limited	8,975,370	0.33
7	Singapore Tong Teik Pte Ltd	8,350,000	0.30
8	UOB Kay Hian Private Limited	7,373,500	0.27
9	Chong Yean Fong	7,251,000	0.26
10	Hanwell Holdings Limited	7,100,000	0.26
11	OCBC Securities Private Limited	6,869,383	0.25
12	Maybank Kim Eng Securities Pte. Ltd.	6,617,857	0.24
13	HSBC (Singapore) Nominees Pte Ltd	6,587,882	0.24
14	Hong Leong Finance Nominees Pte Ltd	6,435,000	0.23
15	United Overseas Bank Nominees (Private) Limited	5,405,200	0.20
16	Allen Peter Anthony	5,000,000	0.18
17	Teo Thian Seng	4,858,000	0.18
18	Lim & Tan Securities Pte Ltd	4,266,900	0.16
19	OCBC Nominees Singapore Private Limited	3,785,000	0.14
20	Tan Ling San	3,400,000	0.12
	Total	**2,557,677,162**	**93.37**

Notice of 51st Annual General Meeting

Pacific Century Regional Developments Limited
(Incorporated in the Republic of Singapore)
Company Registration No. 196300381N

NOTICE IS HEREBY GIVEN that the 51st Annual General Meeting of the Company will be held at Raffles Town Club, Dunearn 3, Level 1, 1 Plymouth Avenue, Singapore 297753 on Friday, 24 April 2015 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31 December 2014 and the Auditors' Report thereon.

2. To re-elect the following Directors retiring by rotation pursuant to Article 104 of the Articles of Association of the Company and who, being eligible, offer themselves for re-election:

   (a) Mr. Richard Li Tzar Kai
   (b) Mr. Francis Yuen Tin Fan
   (c) Mr. Chng Hee Kok

3. To re-appoint Mr. Tom Yee Lat Shing as a Director pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, to hold office from the date of this Annual General Meeting until the next Annual General Meeting.

4. To re-elect Ms. Laura Deal Lacey as a Director retiring pursuant to Article 108 of the Articles of Association of the Company and who, being eligible, offers herself for re-election.

5. To approve Directors' fees of S$234,250 for the year ended 31 December 2014 (2013: S$199,000).

6. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolution which will be proposed as an Ordinary Resolution:

7. That pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

   (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

AS SPECIAL BUSINESS (continued)

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation and adjustment as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

8. To transact such other business as can be transacted at an Annual General Meeting of the Company.

By Order of the Board

Lim Beng Jin
Company Secretary

Singapore
7 April 2015

EXPLANATORY NOTES

Items 2 to 4 – Detailed information on these Directors can be found under the Board of Directors and Report on Corporate Governance sections in the Annual Report 2014.

Item 2(b) – Subject to his re-election, Mr Francis Yuen Tin Fan, who is an Independent Director, will remain as Deputy Chairman of the Board of Directors, Chairman of the Remuneration Committee and a member of the Audit Committee.

Item 3(a) – Subject to his re-appointment, Mr Tom Yee Lat Shing, who is an Independent Director, will remain as Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee.

Item 7 – Resolution 7 is to empower the Directors, from the date of the forthcoming Annual General Meeting until the next Annual General Meeting, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company of which up to 20 per cent may be issued other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Resolution 7 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 7 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead.

2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy must be deposited at the registered office of the Company at 50 Raffles Place, #35-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding of the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Notes to the Proxy Form

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares in the capital of the Company held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named. In the case of a joint appointment of two proxies, the Chairman of the Annual General Meeting will be a member's proxy by default if either or both of the proxies appointed do not attend the Annual General Meeting. In the case of an appointment of two proxies in the alternative, the Chairman of the Annual General Meeting will be a member's proxy by default if both of the proxies appointed do not attend the Annual General Meeting.

4. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 50 Raffles Place, #35-01, Singapore Land Tower, Singapore 048623 (Attention: Company Secretary) not less than 48 hours before the time appointed for holding of the Annual General Meeting. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the Annual General Meeting if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed revoked.

5. The instrument appointing a proxy or proxies, must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Pacific Century Regional Developments Limited
(Incorporated in the Republic of Singapore)
Company Registration No. 196300381N

Annual General Meeting Proxy Form

IMPORTANT

CPF Investors

1. For investors who have used their CPF monies to buy shares in the capital of Pacific Century Regional Developments Limited, the 2014 Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 April 2015.

I/We, ______________________________ (NRIC/Passport/UEN No.) ____________________

of ____ (Address)

being a member/members of Pacific Century Regional Developments Limited (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company, to be held at Raffles Town Club, Dunearn 3, Level 1, 1 Plymouth Avenue, Singapore 297753 on Friday, 24 April 2015 at 10.00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	Ordinary Business	For	Against
1	To adopt the Directors' Report, Audited Financial Statements and Auditor's Report		
2	To re-elect the following Directors: (a) Mr. Richard Li Tzar Kai (b) Mr. Francis Yuen Tin Fan (c) Mr. Chng Hee Kok		
3	To re-appoint Mr. Tom Yee Lat Shing as Director		
4	To re-elect Ms. Laura Deal Lacey as Director		
5	To approve Directors' fees for the year ended 31 December 2014		
6	To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration		
	Special Business		
7	To authorise the share issue mandate		
8	To transact any other business		

Dated this ______________________ day of April 2015

Total Number of Shares Held	

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES ON PAGE 98

Fold this flap here for sealing

Affix
Stamp
Here

The Company Secretary

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

50 Raffles Place
#35-01 Singapore Land Tower
Singapore 048623

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3rd fold here

Pacific Century Regional Developments Limited

50 Raffles Place, #35-01 Singapore Land Tower,
Singapore 048623
Tel: (65) 6438 2366 Fax: (65) 6230 8777
Company Registration No. 196300381N